

Annette Taddeo was charged with cheating workers out of benefits and has been called a “wealthy elitist.” The IRS has examined a complaint against Taddeo’s organization for “alleged violations of tax law involving employees, including failure to pay tax and failure to withhold tax.” Taddeo set up a shell company to “hide” that they had been paying their employees as independent contractors as a loophole because she couldn’t afford to pay workers their benefits.

In 2016, DCCC leaked documents “pointed out that many perceive Annette Taddeo as a ‘wealthy elitist:’”

- In 2016, DCCC leaked documents revealed that the Committee believed that Taddeo’s “three unsuccessful runs for office might portray her as an ‘incompetent candidate’ and pointed out that many perceive her as a ‘wealthy elitist.’” “Politico (8/15, Starks, 1.95M) reported, ‘Guccifer 2.0, the hacker persona many believe is connected to Russian intelligence, posted new stolen Democratic Congressional Campaign Committee documents on several Florida races Monday. ... The documents include information on races in the 7th, 10th, 13th, 18th and 26th districts of Florida.’ The Hill (8/15, Hagen, 651K) reported that the documents ‘highlight the party’s perceived weaknesses of several favored candidates in Florida House primaries.’ For example, a DCCC memo about the FL26 Democratic primary battle between ex-Rep. Joe Garcia (D) and ex-Miami-Dade Democratic Party chief Annette Taddeo (D) said the committee ‘stands whole-heartedly behind Taddeo and argues that she’s the best candidate to’ unseat FL26 Rep. Carlos Curbelo (R). However, the memo also said “that her three unsuccessful runs for office might portray her as an ‘incompetent candidate’ and pointed out that many perceive her as a ‘wealthy elitist.’” (The Frontrunner, “[Hacked DCCC Documents Highlight Florida Democratic Candidates’ ‘Weaknesses,’](#)” 8/16/16)

In October 2013, a complaint was filed to the IRS against Annette Taddeo “for alleged violations of tax law involving employees, including failure to pay tax and failure to withhold tax, while she was chairwoman of the Miami-Dade Democratic Executive Committee:”

- In October 2013, a complaint was filed to the IRS against Annette Taddeo “for alleged violations of tax law involving employees, including failure to pay tax and failure to withhold tax, while she was chairwoman of the Miami-Dade Democratic Executive Committee.” “The Internal Revenue Service is processing a complaint against Annette Taddeo, gubernatorial candidate Charlie Crist’s running mate, for alleged violations of tax law involving employees, including failure to pay tax and failure to withhold tax, while she was chairwoman of the Miami-Dade Democratic Executive Committee. The federal agency has had the complaint, filed on an ‘Information Referral’ Form 3949 A, since October 2013.” (Nancy Smith, “IRS Investigating a 537 Consulting-Related, Tax-Violations Complaint Against Annette Taddeo,” [Sunshine State News](#), 7/24/14)
- Taddeo approved setting up “a kind of shell company,” 537 Consulting LLC, “to hide that the Miami-Dade Democratic Executive Committee (DEC) has been paying employees as independent contractors for a long time.” “Reading information given on the form, it looks like the charge is that Ms. Taddeo approved setting up 537 Consulting LLC, a kind of shell company to hide that the DEC has been paying employees as independent contractors for a long time,’ said Fredericka McClain, a retired University of

Central Florida accounting professor.” (Nancy Smith, “IRS Investigating a 537 Consulting-Related, Tax-Violations Complaint Against Annette Taddeo,” [Sunshine State News](#), 7/24/14)

- **Once 537 Consulting LLC was registered, “Taddeo gave it a contract to take over payroll” to serve “as a solution’ to concerns that the party might be in violation of certain IRS rules,” however, “the payroll contract never went out for bid.”** “As soon as DEC Executive Director Juan Cuba registered the company, the complainant writes, Taddeo gave it a contract to take over payroll ‘as a solution’ to concerns that the party might be in violation of certain IRS rules.’ The payroll contract never went out for bid.” (Nancy Smith, “IRS Investigating a 537 Consulting-Related, Tax-Violations Complaint Against Annette Taddeo,” [Sunshine State News](#), 7/24/14)
- **Following Juan Cuba’s resignation as Miami-Dade Democratic Party Chair, Taddeo claimed that “he will be missed.”** “Taddeo, who previously served as chair of the Miami-Dade Democrats, also released a statement on Cuba's departure. ‘As a past chair, I know the challenges this role entails, and Juan has successfully worked with our community to elect Democrats up and down the ballot, and has taken the local party to the next level,’ Taddeo said. ‘He will be missed.’” (“‘He will be missed’: Juan Cuba resigns as Miami-Dade Democratic Party chair,” [Neustex Blogs: Florida Politics](#), 1/29/19)

537 Consulting LLC was formed because “the organization could not afford to pay benefits, including Social Security, etc.:”

- **537 Consulting LLC was formed because “the organization could not afford to pay benefits, including Social Security, etc.”** “According to the complaint filed in October 2013, ‘The intent, as stated in (the) Steering Committee meeting was to relieve the Party from liability and the LLC (from) assuming it.’ ‘I reviewed the proposed and accepted budget,’ writes the complainant. ‘When I asked about benefits for the workers, I was told that the organization could not afford to pay benefits, including Social Security, etc. I strongly objected for several weeks, months, but was ignored. In the second quarter of (2013), in response to my continuing objections, (537 Consulting) LLC was formed and the organization contracted with said LLC to handle payment of compensation to workers. ... If campaign reports for the fist [sic] quarter 2013 are reviewed, it is obvious that workers were paid a flat fee and there is no indication that any withholding or other taxes/benefits were paid.’” (Nancy Smith, “IRS Investigating a 537 Consulting-Related, Tax-Violations Complaint Against Annette Taddeo,” [Sunshine State News](#), 7/24/14)

The IRS complaint determines that Taddeo did not follow the necessary rules:

- **The IRS complaint determines that Taddeo did not follow the necessary rules.** “The complainant bases the DEC's wrong classification of workers as independent contractors on an IRS publication, ‘Employer's Tax Guide,’ for use in 2013: ‘If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker. To get this relief, you must file all required federal tax forms, including information returns, on a basis consistent with your treatment of the worker. ‘You (or your predecessor) must not have treated any worker holding a substantially similar position as an employee for any period beginning after 1977.’ The

complainant claims Taddeo did not follow these rules.” (Nancy Smith, “IRS Investigating a 537 Consulting-Related, Tax-Violations Complaint Against Annette Taddeo,” [Sunshine State News](#), 7/24/14)

According to the IRS, an investigation can be initiated when information of alleged tax fraud is received from the public:

- **According to the IRS, an investigation can be initiated when information of alleged tax fraud is received from the public.** “Criminal Investigations can be initiated from information obtained from within the IRS when a revenue agent (auditor), revenue officer (collection) or investigative analyst detects possible fraud. Information is also routinely received from the public as well as from ongoing investigations underway by other law enforcement agencies or by United States Attorneys offices across the country.” (IRS, “[How Criminal Investigations Are Initiated](#),” accessed 10/7/22)

***Editor’s Note:** A Miami-Dade DEC member admittedly filed a tax complaint about Annette Taddeo with the IRS in October 2013. Despite a commentary column from the Miami Herald, the [IRS has determined](#) that the investigation process is confidential, and a status or progress update will not be released.*

According to the Department of Justice, “when employers willfully fail to collect, account for and deposit with the IRS employment tax due, they are stealing from their employees and ultimately, the United States Treasury,” and the tax division pursues criminal investigations into employers who fail to comply:

- **According to the Department of Justice, when an employer “willfully fail to collect, account for and deposit with the IRS employment tax due, they are stealing from their employees and ultimately, the United States Treasury.”** “When employers willfully fail to collect, account for and deposit with the IRS employment tax due, they are stealing from their employees and ultimately, the United States Treasury. In addition, employers who willfully fail to comply with their obligations and unlawfully line their own pockets with amounts withheld are gaining an unfair advantage over their honest competitors.” (The United States Department of Justice, “[Employment Tax Enforcement](#),” accessed 10/7/22)
- **The Tax Division “pursues criminal investigations and prosecutions against those individuals and entities who willfully fail to comply with their employment tax responsibilities, as well as those who aid and assist them in failing to meet those responsibilities.”** “The Tax Division pursues civil litigation to enjoin employers who fail to comply with their employment tax obligations and to collect outstanding amounts assessed against entities and responsible persons. The Tax Division also pursues criminal investigations and prosecutions against those individuals and entities who willfully fail to comply with their employment tax responsibilities, as well as those who aid and assist them in failing to meet those responsibilities.” (The United States Department of Justice, “[Employment Tax Enforcement](#),” accessed 10/7/22)
 - **“Employers have a legal responsibility to collect and pay over to the Internal Revenue Service (IRS) taxes withheld from their employees’ wages,” including income tax, social security, and Medicare taxes.** Civil and criminal employment tax enforcement is among the Tax Division's highest priorities. Employers have a legal responsibility to collect and pay over to the Internal Revenue Service (IRS) taxes withheld from their employees’ wages. These employment taxes include

withheld federal income tax, as well as the employees' share of social security and Medicare taxes (collectively known as FICA taxes). Employers also have an independent responsibility to pay the employer's share of FICA taxes." (The United States Department of Justice, "[Employment Tax Enforcement](#)," accessed 10/7/22)