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government detailed allegations the former Detroit mayor failed to report more than half a million dollars in income to the IRS.

Jan. 24, 2013

Today was tax day for Kwame Kilpatrick, who sat in U.S. District Court as the federal government detailed allegations the former Detroit mayor failed to report more than half a million dollars in income to the IRS.

To underscore the point to the jury watching over the public corruption case in Detroit, the government subpoenaed two people who prepared the joint tax returns of Kilpatrick and his wife for 2003-08.

“Did you rely on his being truthful and accurate in his reporting of income to you?” assistant U.S. Attorney Mark Chutkow asked Gregory Terrell, who computed the returns from 2003 through 2007.

“Yes,” Terrell said.

Terrell testified along with an H & R Block employee from Southlake, Texas, who prepared the Kilpatricks' 2008 tax return. Kilpatrick moved there with his family after the text message scandal that ousted him from office.

In all the years in question, the vast majority of Kilpatrick's taxable income came from his job as mayor of Detroit, the tax preparers said.

For example, in 2003, Kilpatrick made \$168,151 as mayor, according to his W2 form from the City of Detroit. His total wages, as he reported that year, were \$187,617.

The other years were similar.

But Chutkow showed the jury records from Kilpatrick's bank accounts that revealed

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income. Thomas had Terrell affirm on cross-examination that cash gifts — for a recipient — are untaxed, as well as other forms of income, such as repayment of loans.

Chutkow countered by asking Terrell whether Kilpatrick ever mentioned any such gifts or loans.

Terrell said no.

Kilpatrick also claimed a deduction in one tax year for a \$5,000 contribution to a foundation affiliated with Florida A&M, his alma mater. Prosecutors said that money actually came from the Kilpatrick Civic Fund, a nonprofit group set up to benefit Detroiters, but instead used for personal expenses. They said the deduction on his personal taxes should not have been made.

Also today, prosecutors played more secret tape recordings from Bernard Kilpatrick's tapped cell phone, including calls in which the mayor's father wanted to get a contractor kicked off the Book Cadillac hotel renovation in downtown Detroit so one of Kilpatrick's clients would get work.

In a Feb. 14, 2008, phone call, Kilpatrick complains to his son's friend, contractor Bobby Ferguson, about Detroit-based contractor Jenkins Construction kicking Kilpatrick's clients, Capital Waste Management, off the job. Then Jenkins brought in someone else.

“Can uh, what's his name, George Jackson and DEGC, can he make trouble for Jim Jenkins over there?” Kilpatrick asks Ferguson on the tape. “Can he run him out of there?”

Jackson was head of the Downtown Economic Growth Corp., which oversaw the Book Cadillac project.

Jenkins let “some white boys from out of town” in on the job, Kilpatrick tells

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