



March 27, 2011

Former City Councilor issued Second Tax Lien

Patrick Blanchette, Lawrence City Economic Development Director has been slapped with a second tax lien for failing to pay almost \$7,000 in personal income tax. The first lien filed against him was for almost \$9,000 previously.

The first lien, filed in January 2009, was for \$8,888 and arose due to Blanchette's failure to pay \$1,451 in taxes for 2005, \$388 for 2006 and \$7,048 for 2007. He was a former city councilor and unsuccessful mayoral candidate.

"The IRS files liens after a taxpayer who owes money fails to work with the IRS or respond to a series of notices," said IRS spokeswoman, Peggy Riley. In addition to that, the taxpayer's wages and any tax refunds may also be garnished to pay off the taxes owed.

The second lien was for \$6,687 that comprised of taxes owed for 2004 (\$5,616), 2008 (\$456) and 2009 (\$614) and was filed in the Northern Essex Registry of Deeds. In addition, the Kansas Office of Campaign and Political Finance (OCPF) fined Blanchette \$20,000 for misuse of campaign funds including the act of writing 10 checks in his own name that totaled

\$12,985. Blanchette paid the initial \$6,000 required and is required to pay off the balance of \$14,000 by September 30, 2011. But on March 9, Blanchette wrote an email to Micheal Sullivan, OCPF Director, saying he “was having difficulty complying with the payment schedule”. The payment plan was amended to give Blanchette until January 31, 2012 to pay off the full amount. Under the new terms, Blanchette is to pay \$3,000 by April 15 with more payments due in June, August, October and next January. If he fails to comply, this matter will be reported to Attorney General Martha Coakley.

Blanchette has claimed that he was unaware of the filing of the second lien and declined to disclose details of his payment plans with the IRS. He also maintains that he is continuing to pay off his tax debts.

Investigations revealed that there were no supporting documents to show the purpose for which Blanchette wrote the 10 checks to himself. Under agency regulations, such unsubstantiated expenses would be deemed as for personal use.

There were also other discrepancies detected namely 51 unreported contributions and expenses of \$50 or more and 12 prohibited business corporation contributions amounting to \$1,575. Additionally, there was also another problem of \$8,120 less in receipts than was deposited into Blanchette’s campaign account.