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## Brothers Kane Jailed and Indicted in Tax Evasion Case

John D. Kane, brother of former Limerick supervisor David was sentenced to a year's jail after he admitted to tax evasion and bank fraud. His brother David was also indicted in connection with the case. In sentencing, US District Court Judge Eduardo C. Robreno fined Kane \$10,000 and ordered him to pay \$94,821 in restitution to the IRS.

In the indictment, authorities allege that John helped his brother David obtain loans from Harleysville National Bank, Bank of America and Chase Home Finance. In 2001, David allegedly purchased his primary residence on Bragg Road in Schwenksville. But he was not qualified to obtain a mortgage on the property so he got his brother John to make a false claim as the purchaser and owner of the property. This was done to prevent the IRS from seizing the property to pay off past unpaid taxes. As at July 2006, David had not paid more than \$600,000 in taxes, interests and penalties. What's more he had not submitted tax returns since 1998.

In the ruse, the brothers made false statements to the banks in the mortgage loan applications claiming that John was the owner of the house that David

bought. By doing so, when David sold the house in July 2008 at a profit of more than \$150,000, the IRS was not able to lay claim on the proceeds of the sale. Subsequently in 2009, when David sold another parcel of land in South Carolina in 2009, John again claimed to be the owner of the sold property thus preventing the property clerk from sending any money to the IRS.

David Kane, co-owner of property development firm Kane Core Inc. applied for more than \$2.5 million in property loans from Harleysville National Bank which he used to run the business and buy properties for development. But since David had a poor credit record, he was fearful that his financial information might get to the IRS, who would get him to pay up his tax dues. He enlisted the help of his brother John to submit false loan application forms to the bank.

The false information provided to the bank was that John was a majority owner of Kane Core Inc. and its consultant. The truth was that John had no interest in Kane Core Inc and played no role in its operations. The true owners of Kane Core were David and his partner Mark G. Marino. By portraying John as the owner, David managed to conceal from the bank his true financial standing and the amount he owes the IRS.