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Real Estate Developers Fail to Report \$25 million to IRS

Three real estate developers, including a former Senate candidate neglected to report nearly \$25 million in income they derived from three Vancouver, Washington shopping center projects. The three are Bellevue developer Winston Bontrager, his girlfriend, Pauline Anderson, and his son, 2004 Republican state Senate candidate Jason Bontrager. The three projects in question are the Salmon Creek, Hazel Dell and Eastgate Plaza developments.

Agents raided their offices last month in the course of investigating their income since 2000. According to a search warrant application that the IRS put in, the three collaborated together to conceal evidence of their earnings by overstating their business expenses, under-reporting their earnings and transferring money among a network of bank accounts in the US and Australia.

The IRS agent who filed the search warrant application, Joseph Lopez, of the IRS Criminal Investigation Department stated that the three “are living lavish lifestyles residing in million-dollar homes in Washington, driving luxury automobiles, and vacationing in million-dollar winter homes in Southern California”.

The three projects were estimated to have earned the developers at least \$47 million out of which they failed to report \$24.7 million. Out of their whopping income, they have paid little to no money in the form of income taxes. Winston Bontrager, 61 has been convicted of fraud in 1994 and has yet to finish paying \$680,000 in restitution that he is supposed to pay.

In the Eastgate Plaza development, another real estate developer involved was Michael R. Mastro who was paid \$4 million in the deal after Wal-Mart bought part of the development for \$9.9 million in 2004. Later in 2007, one of Mastro’s companies, Sifton/Orchards bought over the Eastgate property for \$14.3 million. Yet, how Mastro is exactly involved in the development is unclear. Last year, Mastro filed one of the biggest bankruptcies in the history of the state of Washington with debts of more than \$570 million.

Attempts to contact the Bontragers through their company, Alexandria Development were not fruitful. Their home phones are unlisted and emails to Jason Bontrager seeking clarification were not immediately replied.