

Alan Grayson Under Investigation for \$2.1 Million in Tax Fraud

Tom Ubl, a whistleblower who was formerly represented by Alan Grayson, has filed a claim with the IRS that charges Alan Grayson with \$2.1 million in tax fraud. Grayson's senior partner Victor Kubli, a convicted felon, is also named in the complaint. Ubl, who volunteered on Grayson's 2008 campaign, said "I have fought fraud in the federal sector and military industrial complex for over 20 years. Alan Grayson as my lead council was more corrupt than the contractors I have litigated."

Grayson and Kubli asserted legal fees that were over twice as much as the U.S. Department of Justice deemed reasonable. Grayson charged at a \$700 hourly rate when the maximum amount allowed by the Laffey Matrix was \$495 per hour. The Laffey Matrix is an index that sets the allowable rates for attorneys in the DC Metro and Baltimore. The inflated rates were coupled with hours that in many instances were simply not available to be charged because Grayson was preoccupied with his 2008 congressional campaign and two other time demanding cases.

The complaint was filed under the IRS whistleblower program and entitles Ubl to compensation if Grayson and Kubli are found guilty. The IRS whistleblower program has been under fire for slow processing times and a lack of accountability to the person filing the complaint and to the public at large. Recent changes to the program have resulted in a streamlining and effectiveness that is starting to show big results such as the billions recovered from the UBS tax evasion scheme.

The complaint details how \$2.1 million represents unallowable tax deductions for the period that Ubl was represented by Grayson and Kubli. Ubl contends that the inflated legal fees were a major issue of contention with the DOJ and was a key reason why a signed \$8.9 million dollar settlement was nullified and not enforced. The \$8.9 million settlement represented recovered fraud dollars due to be returned to the American taxpayer.

Assistant U.S. Attorney Richard Sponseller, as contained in court transcripts, explained to Judge Liam O'Grady of the U.S. Eastern District Court that Grayson and Kubli were not willing to be reasonable or make any concessions. Ubl has

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issued demand letters to both Grayson and Kubli in the amount of \$12.6 million for their negligence and intends to file a legal malpractice complaint. Ubl expressed his disgust and said “There is hypocrisy in our judicial system corrupted by those who are supposed to be of high standard and trustworthy, especially under attorney-client privilege.”

Grayson used Ubl as his poster boy to falsely bolster Grayson’s claims of fraud fighting before the \$8.9 million settlement was nullified. The settlement was showcased in the press, by watchdog organizations, on Grayson’s website and was falsely presented to the American people as a legal victory for Grayson. Grayson used Ubl’s nullified settlement to develop the marketing platform for Grayson’s 2008 campaign as a “One Man War on Contractor Fraud” although Grayson has failed to recover any fraud dollars associated with any of his legal representation of whistleblowers contrary to what has been depicted in political advertisements.

The timing of the IRS complaint could not have been worse for Grayson, who is attempting to run for Congress in the newly formed Congressional District 9 located in Central Florida. This is Grayson’s fourth attempt at running for Congress with a limited two year term that was marked by harsh rhetoric and smear tactics that cost him his seat during the 2010 midterms when he lost to Congressman Dan Webster of FL-CD8.