

Tax Nonfilers Face Potential Liability Under New York FCA

In "Tax Nonfilers Face Potential Liability Under New York FCA" (Law360, Expert Analysis, December 20, 2017), Adam Pollock and Randall Fox write about the New York County Supreme Court's decision in *New York ex rel. Campagna v. Post Integrations Inc.*, which "ruled that liability for tax violations under the New York False Claims Act ("FCA") can extend to a nonfiler."

The whistleblower, on behalf of New York state and New York City, filed a lawsuit asserting that Post Integrations, Arizona-based credit card processing company, "had failed to file New York tax returns" but "made various false statements in communications with customers, credit card networks, and others that were material to its obligation to pay New York taxes." Post Integrations moved to dismiss. It argued that the FCA applies only to a "'fraudulent filing case,' and not to a 'nonfiling case' like this one."

In the ruling, the court confirmed that nonfilers, meaning individuals or businesses both inside and outside of New York with "unfulfilled obligation to pay taxes in New York" can also face liability under the act for tax-related violations. To bring nonfilers on the radar, New York FCA "financially incentivizes whistleblowers to come forward with allegations of tax fraud."

To read the full article, click on the link below (subscription may be required).

[Tax Nonfilers Face Potential Liability Under New York FCA | Law360](#)