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Husband's suit faults IRS for wife's suicide

Rebecca S. Green | The Journal Gazette

A Fort Wayne businessman has sued IRS agents for actions he said contributed to the suicide in 2007 of his wife, who was actively involved in a number of area non-profits.

Filed Oct. 30 in U.S. District Court in Fort Wayne by James A. Simon, personally and as representatives of his daughter and the estate of his wife, Denise J. Simon, the lawsuit names three IRS special agents and an unknown number of unknown individuals.

The three named people are Special Agent Paul Muschell, Special Agent in Charge Alvin Patton and Special Agent Linda Porter.

Special Agent Maria Suarez, IRS Criminal Investigation Division public information officer, declined to comment on the lawsuit, and Patton was unavailable.

Simon has been involved in telecommunications and satellite companies over the past 15 years or so, notably a company known as Rimsat forced into bankruptcy in the mid-1990s after infighting and a conflict with the Russian Space Agency over some satellites.

According to court documents, Simon has been involved with other businesses including JS Elekta Limited and Fort Wayne Telsat.

In 2007, Simon found himself at the center of an investigation by the IRS, specifically by Muschell. The agent wanted to search the Monte Vista Court home rented by the Simons and went before U.S. District Judge Theresa Springmann to get a warrant.

After reviewing the information, Springmann granted the warrant, and Muschell and a number of armed agents served it on the home shortly after 7 a.m. Nov. 6, 2007, while Denise Simon was getting the couple's youngest child, 11, ready for school. James Simon was out of the country on business, according to court documents.

Three days later, Denise Simon, a former board member of SCAN and president of the Fort Wayne chapter of the American Red Cross, took her own life.

In her typed suicide note she wrote: "I am truly innocent of any attempt to evade taxes, launder money, commit fraud or the other things I am being accused of ... I also have no faith in the legal system or the ability of the government to seek the truth."

Written in her own hand under the typed portion of the note, Denise Simon wrote "with my dying breath I swear Jim and I are innocent," according to court documents.

Simon contends Muschell used bad information to obtain the search warrant, alleging Simon created a tax shelter for his companies in places like Cyprus and accusing the Simons of failing to file IRS paperwork for farm subsidies received.

According to court documents, Muschell failed to disclose that Simon worked outside the U.S., maintaining a second home in Ukraine, and received little farm subsidies, filing returns on what he received.

Neither James nor Denise Simon ever had any history of IRS conflict or ever participated in any kind of tax protest activity, according to court documents.

According to court documents, Simon believed some of the information given to the IRS may have come from opponents in lawsuits in other U.S. states as well as Cyprus who promised to cause him tax trouble.

As of this date, no charges related to the initial IRS warrant have been filed.

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