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U.S. Government Sues Ottley Communications Over \$2.1 Million in Unpaid Taxes

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The U.S. federal government has accused Ottley Communications Corp., a U.S. Virgin Islands radio station operator, of owing more than \$2.1 million in unemployment taxes, according to a complaint filed in a Virgin Islands federal court. The government seeks to force the company's compliance with federal tax law through an injunction that compels the payment of these overdue taxes.

Ottley Communications Corp., established in the 1980s, is based in the U.S. Virgin Islands and has accrued this unpaid unemployment tax liability over 15 tax years, from 1996 through 2020, the complaint detailed. This matter was first reported by [Law360 on Thursday](#).

The corporation allegedly failed to file tax returns for specific years and submitted other returns late.

The U.S. government claims that the ongoing noncompliance by Ottley Communications has caused financial harm to the federal tax system and resulted in lost tax revenue. It additionally argues that the company's tax evasion negatively impacts competitors and the public who abide by the same federal tax laws.

The government seeks to mandate Ottley Communications' future compliance with tax laws, in addition to the payment of its arrears. It suggests the company should provide the Internal Revenue Service (IRS) with monthly affidavits confirming payment of owed taxes.

The government contends that Ottley Communications' failure to pay taxes not only creates a revenue shortfall but also puts undue pressure on IRS resources due to the need for continual oversight of the company.

In a previous legal battle, Ottley Communications filed a Chapter 7 bankruptcy petition in May 2017, which was dismissed by a Virgin Islands federal bankruptcy court in February 2018. The dismissal came about as the company failed to provide monthly operating reports to the court, rendering it unable to assess the company's financial status.

The U.S. Department of Justice, Tax Division, has also hasn't commented on the matter. Representatives for the U.S. in this case include Beatriz T. Saiz and Benton T. Morton from the Tax Division of the Department of Justice.

The case, listed as U.S. v. Ottley Communications Corp., case number 3:23-cv-00023, continues in the U.S. District Court for the District of the Virgin Islands.