



FRAUD & SPECIAL INVESTIGATIONS

**OFFICE OF THE
CONTROLLER**

City Of Philadelphia

REPORT OF INVESTIGATION

Case #: FSI 10-28

**Improper Tax Assessment
and
Failure to Pay Property Taxes**

September 16, 2009



CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER
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ALAN BUTKOVITZ
City Controller

TIM REDDICK
Director, Fraud & Special Investigations

September 16, 2009

Honorable Alan Butkovitz
City Controller
1230 Municipal Services Building
1401 John F. Kennedy Blvd
Philadelphia, PA 19102

The attached report details an investigation conducted by Fraud & Special Investigations that is now complete. It is submitted for your information and any additional action you deem appropriate. Fraud & Special Investigations retains all the evidence and supporting documents that were produced during the investigation. Should any additional questions arise or should you require a verbal presentation of the facts, please let me know.

A handwritten signature in blue ink, appearing to read "Tim Reddick".

Tim Reddick, CFE, PCI, CPP
Director, Fraud & Special Investigations

Cc: Harvey Rice, First Deputy City Controller



FRAUD & SPECIAL INVESTIGATIONS



REPORT OF INVESTIGATION

September 16, 2009

FSI 10-28

IMPROPER TAX ASSESSMENT
BOARD OF REVISION OF TAXES
AND
FAILURE TO PAY PROPERTY TAXES
ELLEN & OLUWOLE AMUDIPE
5900 DREXEL AVE, PHILADELPHIA, PA 19131
BRT ACCOUNT #775653000

BACKGROUND

This investigation was initiated based on information uncovered during an unrelated audit that indicated a property owned by Ellen and Oluwole Amudipe, located at 5901 Woodbine Ave, was not being assessed appropriate property taxes due to an improper application of a non-profit tax exemption.

INVESTIGATION DETAILS

During an unrelated audit it was discovered that a property located at 5901 Woodbine Avenue, which was owned by Ellen and Oluwole Amudipe and was being leased by a local charter school had a full property tax exemption on it.

A review of Board of Revision of Taxes (BRT) online records failed to identify the 5901 Woodbine Avenue address as a valid tax account. However, a review of deed transfer records identified the property as also having an address of 5900 Drexel Road. Deed records indicated that the property had been purchased by the Amudipe's in mid-1999 from Federation Day Care Services, Inc., a Pennsylvania non-profit corporation. (Exhibit 1)

Further review of BRT online records, using the additional address of 5900 Drexel Road revealed that the property was listed in BRT records at 5900 Drexel Road and was still listed in the name of Federation Day Care Services, with a purchase date of 1986, and full tax exemption due to Federation's non-profit status. (Exhibit 2)

A review of deed transfer records for Philadelphia and court records revealed that the Amudipe's had been involved in numerous real estate transactions over the years, were seasoned real estate investors and should have been aware that property taxes were due on the acquired property. In addition, they were leasing the property in a for-profit manner.

Information concerning the misapplication of property tax rules was transmitted to BRT who, after a review of all information, updated their records and reassessed the appropriate taxes for the 5900 Drexel Road property, that is also known as 5901 Woodbine Avenue (Exhibit 3). After assessment, BRT forwarded the information to the Revenue Department who billed the Amudipe's as well as placed appropriate liens on the property.

It appears that the failure to update the BRT records when the property was purchased by the Amudipe's may have been made due to the deed bearing the address of 5901 Woodbine and the BRT records listing it as 5900 Drexel. Due to the error occurring almost 10 years prior, the investigation did not pursue who specifically may have been responsible for the tax error with the BRT.

RESULTS

As a result of the investigation findings, appropriate assessment was made of the property owned by the Amudipe's. To date \$207,689.69 in back taxes, interest and penalty have been added to the receivable account for the property, appropriate liens were placed on the property (Exhibit 4) and an additional \$10,104.56 was added as due for 2010.

This investigation resulted in \$217,794.25 being placed on the receivable accounts for the City of Philadelphia, with interest continuing to accumulate, and should result in additional receipts in the years to come due to appropriate taxes now being applied to the property.

//original signed//
Dwayne Stewart
Investigator

WARNING: *This Report of Investigation may contain information of a sensitive nature that is exempt from release under various laws including the Pennsylvania Right to Know Law. This report should not be further distributed or released without the express written permission of the Office of the Controller. Point of contact for this report is Tim Reddick, Director, Fraud & Special Investigations, Office of the Controller, City of Philadelphia.*

PHILADELPHIA REAL ESTATE TRANSFER TAX CERTIFICATION		D 1182 806 RECORDER'S USE ONLY 8110-
Complete each section and file in duplicate with Recorder of Deeds when (1) the full value/consideration is not set forth in the deed, (2) when the deed is without consideration, or by gift, or (3) a tax exemption is claimed. If more space is needed, attach additional sheet(s).		
A. CORRESPONDENT - All inquiries may be directed to the following person:		
NAME Eric L. Stern		TELEPHONE NUMBER: AREA CODE (215) 963-5000
STREET ADDRESS 1701 Market Street		CITY STATE ZIP CODE Philadelphia PA 19103
B. TRANSFER DATA		
GRANTOR(S)/LESSOR(S) Federation Day Care Services		DATE OF ACCEPTANCE OF DOCUMENT GRANTEE(S)/LESSEE(S) Ellen Amudipe and Olu Amudipe
STREET ADDRESS 10700 Jamison Ave.		STREET ADDRESS 1116 Spring Garden Street
CITY STATE ZIP CODE Philadelphia PA 19116	CITY STATE ZIP CODE Philadelphia PA 19123	
C. PROPERTY LOCATION		
STREET ADDRESS 5901 Woodbine Ave. AKA 5900 Drexel Road		CITY, TOWNSHIP, BOROUGH Philadelphia
COUNTY Philadelphia	SCHOOL DISTRICT Philadelphia	TAX PARCEL NUMBER 88-6-385900
D. VALUATION DATA		
1. ACTUAL CASH CONSIDERATION \$270,000	2. OTHER CONSIDERATION + 0	3. TOTAL CONSIDERATION = 270,000
4. COUNTY ASSESSED VALUE 122,272	5. COMMON LEVEL RATIO FACTOR X 3.46	6. FAIR MARKET VALUE = 423,061.12
E. EXEMPTION DATA		
1A. AMOUNT OF EXEMPTION 0	1B. PERCENTAGE OF INTEREST CONVEYED 100%	
2. Check Appropriate Box Below for Exemption Claimed		
<input type="checkbox"/> Will or Intestate succession _____ (NAME OF DECEDENT) _____ (ESTATE FILE NUMBER). <input type="checkbox"/> Transfer to Industrial Development Agency. <input type="checkbox"/> Transfer to agent or straw party. (Attach copy of agency/straw party agreement). <input type="checkbox"/> Transfer between principal and agent. (Attach copy of agency/straw trust agreement). Tax paid prior deed \$ _____. <input type="checkbox"/> Transfers to the Commonwealth, the United States, and Instrumentalities by gift, dedication, condemnation or in lieu of condemnation. (Attach copy of resolution). <input type="checkbox"/> Transfer from mortgagor to a holder of a mortgage in default. Mortgage Book Number _____ Page Number _____. Mortgagee (grantor) sold property to Mortgagor (grantee) (Attach copy of prior deed). <input type="checkbox"/> Corrective deed (Attach copy of the prior deed). <input type="checkbox"/> Other (Please explain exemption claimed, if other than listed above.) _____		
Under penalties of law or ordinance, I declare that I have examined this Statement, including accompanying information, and to the best of my knowledge and belief, it is true, correct and complete.		
SIGNATURE OF CORRESPONDENT OR RESPONSIBLE PARTY <i>Sandra S. Axelrod</i>		DATE 6-17-99
(SEE REVERSE)		



The Board of Revision of Taxes

Property Location	
Address:	5900 DREXEL RD
Unit Number:	
Zip Code:	19131-1216

Owner Information	
Owner (s)	FEDERATION DAY CARE, SERVICES INC
Account Number	774653000
Mailing Address	FEDERATION DAY CARE, JAMISON AVE + GARTH RD PHILA PA 19116-3899

Property Characteristics	
Land Area	61600 SqFt
Improvement Description	SCHOOL 1STY MASONRY
Improvement Area	17607 SqFt
Beginning Point	SWC 59TH ST
Exterior Condition	Average

Certified Values for 2009	
Market Value	\$382,100
Assessed Land (Taxable)	\$0
Assessed Improvement (Taxable)	\$0
Assessed Land (Exempt)	\$16,164
Assessed Improvement (Exempt)	\$106,108
Total Assessment	\$122,272

Sale Information	
Sale Date	06/30/1986
Sales Price	\$309,000
Tax Information	
Real Estate Tax	\$ 0

Proposed Values

Year	Market Value	Assessed Land (Taxable)	Assessed Land (Exempt)	Assessed Improvement (Taxable)	Assessed Improvement (Exempt)	Total Assessment	Gross Tax
2009	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00

Certified Values

Year	Market Value	Assessed Land (Taxable)	Assessed Land (Exempt)	Assessed Improvement (Taxable)	Assessed Improvement (Exempt)	Total Assessment	Gross Tax
2009	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00
2008	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00
2007	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00
2006	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00
2005	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00
2004	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00
2003	\$382,100	\$0	\$16,164	\$0	\$106,108	\$122,272	\$0.00



The Board of Revision of Taxes

Property Location	
Address:	5900 DREXEL RD
Unit Number:	
Zip Code:	191311216

Owner Information	
Owner (s)	AMUDIPE ELLEN , AMUDIPE OLUWOLE
Account Number	774653000
Mailing Address	AMUDIPE ELLEN , 5900 DREXEL RD
	Philadelphia PA 191311216

Property Characteristics	
Land Area	61600 SqFt
Improvement Description	SCHOOL 1STY MASONRY
Improvement Area	17607 SqFt
Beginning Point	SWC 59TH ST
Exterior Condition	Average

Certified Values for 2009	
Market Value	\$382,100
Assessed Land (Taxable)	\$16,164
Assessed Improvement (Taxable)	\$106,108
Assessed Land (Exempt)	\$0
Assessed Improvement (Exempt)	\$0
Total Assessment	\$122,272

Sale Information	
Sale Date	06/17/1999
Sales Price	\$270,000
Tax Information	
Real Estate Tax	\$ 10104.56

Proposed Values

Year	Market Value	Assessed Land (Taxable)	Assessed Land (Exempt)	Assessed Improvement (Taxable)	Assessed Improvement (Exempt)	Total Assessment	Gross Tax
2010	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56

Certified Values

Year	Market Value	Assessed Land (Taxable)	Assessed Land (Exempt)	Assessed Improvement (Taxable)	Assessed Improvement (Exempt)	Total Assessment	Gross Tax
2009	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56
2008	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56
2007	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56
2006	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56
2005	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56
2004	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56
2003	\$382,100	\$16,164	\$0	\$106,108	\$0	\$122,272	\$10,104.56



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These balances are effective through the end of this month.

*If "Lien Sale" is marked "Y", these receivables may not represent the total Real Estate Tax liabilities for this account. Please call 215-790-1117 for more information.

The Real Estate Tax is due each calendar year on the 31st of March. You will receive a 1% discount if your bill is paid on or before the 28th of February.

You can use your American Express, Discover, MasterCard or VISA credit card to pay Real Estate Tax balances online. **A user fee of 2.49% will be charged in addition to the amount of tax paid.** You will know the user fee prior to entering your credit card information.

If you have not received a tax bill, click [here](#) to print a payment coupon. For questions about your account or you need to make a payment agreement, please contact customer service at 215-686-6442 or revenue@phila.gov.

BRT #: 774653000 **Property Address:** 05900 DREXEL RD

Owner Name: AMUDIPE OLUWOLE A **Lien Sale Account:**

Includes Payments Through: 09/08/2009

Year	Principal	Interest	Penalty	Other	Total	Lien #
1999	\$5,810.12	\$5,098.38	\$406.71	\$2,060.34	\$13,375.55	BC00050091
2000	\$11,620.24	\$9,150.94	\$813.42	\$3,908.83	\$25,493.43	BC00050092
2001	\$11,620.24	\$8,105.12	\$813.42	\$3,720.58	\$24,259.36	BC00050093
2002	\$11,620.24	\$7,059.29	\$813.42	\$3,532.33	\$23,025.28	BC00050094
2003	\$11,620.23	\$6,013.47	\$813.42	\$3,344.08	\$21,791.20	BC00048833
2004	\$11,620.23	\$4,967.65	\$813.42	\$3,155.83	\$20,557.13	BC00048834
2005	\$11,620.23	\$3,921.83	\$813.42	\$2,967.59	\$19,323.07	BC00048835
2006	\$11,620.23	\$2,876.01	\$813.42	\$2,166.15	\$17,475.81	BC00048836
2007	\$11,620.23	\$1,830.18	\$813.42	\$2,019.74	\$16,283.57	BC00048837
2008	\$11,620.23	\$784.36	\$813.42	\$1,873.32	\$15,091.33	BC00048838
2009	\$10,104.55	\$909.41	\$0.00	\$0.00	\$11,013.96	

Totals \$120,496.77 \$50,716.64 \$7,727.49 \$28,748.79 \$207,689.69

An amount in parenthesis, e.g., (\$1.00) indicates an overpayment for that year.

[Pay this bill](#)

[Payment Agreements](#)

Click [here](#) to obtain balances on another property address.