SUPREME COURT OF IOWA

Iowa Supreme Court Board of Professional Ethics and Conduct v. Engelhardt

630 N.W.2d 810 (Iowa 2001) · No. No. 01-0052 · Decided July 5, 2001

SUMMARY

The Iowa Supreme Court reviewed attorney-discipline proceedings arising from Stephen M. Engelhardt's repeated failures to timely file state income tax returns and employee withholding tax returns, as well as delays in responding to disciplinary authorities. The court found violations of the Iowa Code of Professional Responsibility and suspended Engelhardt's law license indefinitely, with no possibility of reinstatement for six months, while assessing costs against him.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Per Curiam; Carter; Larson; Snell
JURISDICTION	Iowa
DECIDED	July 5, 2001
DOCKET	No. 01-0052
DISPOSITION	other
PROCEDURAL POSTURE	Attorney disciplinary appeal from the findings and recommendations of the grievance commission following a disciplinary hearing.
STANDARD OF REVIEW	The Supreme Court of Iowa reviewed the disciplinary record and determined the violations and appropriate sanction.
PRECEDENTIAL VALUE	Published Iowa Supreme Court disciplinary opinion; precedential
PARTIES	Stephen M. Engelhardt v. Iowa Supreme Court Board of Professional Ethics and Conduct

TOPICS

income tax · employment tax · tax penalties · tax

PRACTICE AREAS

legal ethics and professional responsibility · attorney discipline · tax compliance

QUESTIONS PRESENTED

1. Whether Engelhardt's failure to timely file income tax returns and employee withholding tax declarations violated the Iowa Code of Professional Responsibility.
2. Whether Engelhardt's delayed and inadequate responses to requests for information from disciplinary authorities constituted conduct prejudicial to the administration of justice.
3. What disciplinary sanction was appropriate in light of Engelhardt's tax-related criminal conviction, repeated filing failures, noncooperation, and mitigating circumstances.

HOLDINGS

1. Engelhardt's Alford plea and resulting conviction precluded him from denying guilt of the offense, and his conduct violated DR 1-102(A)(5), which prohibits conduct prejudicial to the administration of justice.
2. Engelhardt violated DR 1-102(A)(5) by unreasonably delaying responses to the ethics board's requests for information after extensions had been granted or denied.
3. An indefinite suspension of Engelhardt's law license, with no possibility of reinstatement for six months, was warranted.

KEY QUOTATIONS

> *"We agree with the commission that respondent's conduct constituted a violation of DR 1-102(A)(5) (conduct that is prejudicial to the administration of justice) of the Iowa Code of Professional Responsibility for Lawyers."* (at 814)

> *"Considering all of the circumstances of this case, we order that the license of attorney Stephen M. Engelhardt be suspended for an indefinite period of time with no possibility of reinstatement within six months from the filing of this opinion."* (at 815)

FACTUAL BACKGROUND

Engelhardt failed to file several Iowa income tax returns and quarterly employee withholding tax returns over a period of years, while delegating tax responsibilities to his wife and failing to verify that the filings and deposits were completed. He entered an Alford plea to a serious misdemeanor involving willful failure to file withholding tax returns. He also repeatedly delayed responding to requests for information from the professional ethics board, despite requesting and receiving extensions or being directed to respond within an ascertainable period.

PROCEDURAL HISTORY

The grievance commission found that Engelhardt violated the Iowa Code of Professional Responsibility by failing to timely file state income tax returns and employee withholding tax declarations and by failing to respond to disciplinary authorities. It recommended a one-year suspension without possibility of reinstatement. Engelhardt appealed to the Supreme Court of Iowa, which independently reviewed the disciplinary matter and imposed an indefinite suspension with no possibility of reinstatement for six months.

DISPOSITION

other

CASES CITED

- AID Ins. Co. v. Chrest, 336 N.W.2d 437, 439-40 (Iowa 1983)
- Committee on Professional Ethics & Conduct v. Jones, 368 N.W.2d 157, 158 (Iowa 1985)
- Iowa Supreme Court Board of Professional Ethics & Conduct v. Wickey, 619 N.W.2d 319, 321 (Iowa 2000)
- Iowa Supreme Court Board of Professional Ethics & Conduct v. Runge, 588 N.W.2d 116, 119 (Iowa 1999)
- Iowa Supreme Court Board of Professional Ethics & Conduct v. Morris, 604 N.W.2d 653, 656 (Iowa 2000)