



September 20, 2024

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**BY EMAIL TRANSMISSION**  
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RE: Complaint against Many Hands Community Services; EIN 84-2429042 and its Principal Officer, Daniel Mahoney

Michigan Rising Action (“Michigan Rising”) respectfully requests the Internal Revenue Service ("IRS") to investigate whether Many Hands Community Services ("MHCS"), a non-profit organization formerly exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code"), and its President and Principal Officer, Daniel Mahoney (Mayor of the City of Jackson and candidate for State Representative in the State of Michigan),<sup>1</sup> violated federal law by falsely misrepresenting MHCS’s financial activity to avoid file IRS Form 990 beginning in at least tax year 2022. Because the information set forth in this Complaint relies on only publicly available information, this begs the question, what other financial activity is Daniel Mahoney and MHCS keeping from the public and the IRS? Consequently, an IRS investigation into the activities of Daniel Mahoney and the operations of MHCS is appropriate here.

**Many Hands Community Services’ Publicly Available Financial Activity**

MHCS is a non-profit corporation established in 2019 in Michigan.<sup>2</sup> Daniel Mahoney is listed as MHCS’ President, Executive Director, Incorporator, and Registered Agent.<sup>3</sup> By letter dated September 4, 2019, MHCS was recognized by the IRS as a tax-exempt charitable organization pursuant to Section 501(c)(3) of the Internal Revenue Code.<sup>4</sup>

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<sup>1</sup> See [Mayor's Office | Jackson, MI - Official Website \(cityofjackson.org\)](https://www.cityofjackson.org/); [Jackson Mayor Daniel Mahoney announces candidacy for Michigan House - mlive.com](https://www.mlive.com/news/michigan/article20190904-jackson-mayor-daniel-mahoney-announces-candidacy-for-michigan-house.html)

<sup>2</sup> Many Hands Community Services, Articles of Incorporation and 2020 Annual Report. See Attachment 1.

<sup>3</sup> Id.

<sup>4</sup> Many Hands Community Services IRS Determination Letter. See Attachment 2.

With respect to 2019 and 2020, MHCS filed IRS Form 990-N. Daniel Mahoney is listed as “Principal Officer” for MHCS in these tax filings.<sup>5</sup> MHCS has filed no other tax returns with the IRS and lost its tax-exempt status in 2024 for failure to file tax returns.<sup>6</sup> As of December 1, 2023, the State of Michigan dissolved MHCS for failure to file Annual Reports.<sup>7</sup>

Although not an easy task, a search of publicly available information has revealed that, at a minimum, MHCS had the following gross receipts:

2019: No data available  
2020: \$65,000<sup>8</sup>  
2021: \$100,000<sup>9</sup>  
2022: \$25,000<sup>10</sup>

### **As Principal Officer, Daniel Mahoney Was Required To File IRS Form 990 Beginning With The 2022 Tax Year And Perhaps Earlier**

As a Section 501(c)(3) tax-exempt organization, MHCS is required to file annual Form 990 tax returns.<sup>11</sup> Based on the publicly available financial information of MHCS’ gross receipts, MHCS was required to file IRS Form 990 beginning with the 2022 tax year and perhaps earlier. To this end, the level of MHCS’ gross receipts is not considered to be normally \$50,000 or less which is the eligibility standard to file IRS Form 990-N.<sup>12</sup> According to the IRS, the eligibility to file IRS Form 990-N is limited:<sup>13</sup>

- Gross receipts are considered to be normally \$50,000 or less if the organization:
  - Has been in existence for 1 year or less and received, or donors have pledged to give, \$75,000 or less during its first tax year;
  - Has been in existence between 1 and 3 years and averaged \$60,000 or less in gross receipts during each of its first two tax years; and

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<sup>5</sup> Many Hands Community Services IRS Form 990-N for 2019 and 2020. See Attachment 3.

<sup>6</sup> See [Tax Exempt Organization Search Details | Internal Revenue Service \(irs.gov\)](#)

<sup>7</sup> See [Search Summary State of Michigan Corporations Division](#)

<sup>8</sup> See Attachment 4, the 2020 IRS Form 990 Schedule I filings for Jackson Community Foundation (\$15,000) and W.A. Foote Memorial Hospital (\$50,000).

<sup>9</sup> See Attachment 5, which is an article dated August 9, 2021 (available at <https://www.cuinsight.com/press-release/local-companies-donate-100000-to-help-business-incubator-program-prepare-entrepreneurs-for-take-off/>) indicating that “The Launch Pad” received a \$100,000 donation from two entities, True Community Credit Union and Allegiance Health. As indicated from the attached MHCS website pages in Attachment 6, “The Launch Pad” is a project of MHCS. See <https://web.archive.org/web/20240228134513/https://manyhandscommunityservices.com/the-launch-pad>

<sup>10</sup> See Attachment 7, the 2022 IRS Form 990 Schedule I filing for Jackson Community Foundation (\$25,000).

<sup>11</sup> 26 U.S.C. 6033.

<sup>12</sup> See generally, [Annual electronic filing requirement for small exempt organizations — Form 990-N \(e-Postcard\) | Internal Revenue Service \(irs.gov\)](#)

<sup>13</sup> *Id.*

- o Is at least 3 years old and averaged \$50,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which calculations are being made).

In 2022, MHCS was at least 3 years old and averaged \$63,333 in gross receipts (\$190,000 divided by three years) for the immediately preceding 3 tax years. Therefore, because MHCS averaged more than \$50,000 for this 3-year period, MHCS was required to file IRS Form 990 (not IRS Form 990-N) beginning with the 2022 tax year and perhaps earlier (if the publicly available financial activity understates gross receipts that could be discovered after an audit of MHCS' finances). Without question, Daniel Mahoney is the principal officer<sup>14</sup> of MHCS, and as such, is responsible for all penalties associated with the failure to file tax returns.<sup>15</sup> Because MHCS is no longer a Michigan non-profit corporation based on its dissolution in 2024 by the State of Michigan, Daniel Mahoney is personally responsible for payment of all penalties associated with the failure to file tax returns.

### **Violations**

#### **26 U.S.C. 6652**

Under the Code, a tax-exempt organization and responsible persons who fail to file Form 990 are liable for civil penalties in accordance with this section.<sup>16</sup> By failing to file IRS Form 990 beginning at least with the 2022 tax year, MHCS and Daniel Mahoney appear to have violated 26 U.S.C. 6652 and should be subject to monetary penalties.

#### **26 U.S.C. 7203**

Under the Code, any person who is required to "make a return, keep any records, or supply any information, who willfully fails to ... make such return, keep such records, or supply such information, at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$25,000 (\$100,000 in the case of a corporation), or imprisoned not more than 1 year, or both, together with the costs of prosecution." By failing to file IRS Form 990 beginning at least with the 2022 tax year, MHCS and Daniel Mahoney appear to have violated 26 U.S.C. 7203.

#### **18 U.S.C. 1001**

Federal law further prohibits anyone from "knowingly and willfully" making "any materially false, fictitious, or fraudulent statement or representation" in any matter within the jurisdiction of the executive, legislative, or judicial branch.<sup>17</sup> The prohibition also includes anyone who "falsifies, conceals, or covers up by any trick, scheme, or device a material fact."<sup>18</sup>

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<sup>14</sup> 2023 Instructions for Form 990, Page 68.

<sup>15</sup> 2023 Instructions for Form 990, Page 7.

<sup>16</sup> 26 U.S.C. 6652(c); see also, 2023 Instructions for Form 990, Page 7

<sup>17</sup> 18 U.S.C. 1001(a)(2).

<sup>18</sup> 18 U.S.C. 1001(a)(1).

Violations are punishable by up to five years in prison.<sup>19</sup> By failing to file IRS Form 990 beginning at least with the 2022 tax year, and based on a proper investigation by the IRS into this matter, the IRS may conclude that MHCS and Daniel Mahoney have violated 18 U.S.C. 1001.

### **Conclusion**

MHCS and Daniel Mahoney failed to file IRS Form 990 (not IRS Form 990-N) beginning with the 2022 tax year and perhaps earlier (if the publicly available financial activity understates gross receipts that could be discovered after an audit of MHCS' finances). For this failure to file IRS Form 990 for 2022 and possibly other tax years, MHCS and Daniel Mahony should be held responsible for all appropriate penalties. In addition, the IRS should investigate MHCS and Daniel Mahoney and, should it find that MHCS and Daniel Mahoney failed to disclose additional gross receipts than stated in this Complaint, take appropriate action.

Respectfully submitted,

Abigail Mitch  
Executive Director, Michigan Rising Action

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<sup>19</sup> 18 U.S.C. 1001(a).