



**Are You Saying Someone Could Actually  
Go To Jail.... FOR THAT?!?**

Tom Rhodus  
Gray Reed & McGraw

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**Two Developing Trends in Criminal Tax**

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- Two developing trends in criminal tax that historically have not seen very much use:
  - Sec. 7202, Willful failure to collect, truthfully account for and pay over employment taxes (a 5-year felony).
  - 18 USC sec. 371 “conspiracy to defraud” frequently called a “*Klein*-type conspiracy” (also a five-year felony).
    - Used against professionals associated with “tax shelters”

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These problem areas (employment tax deficiencies, tax shelter promotions) have traditionally been **EXCLUSIVELY** the subject of civil enforcement.



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Today, examinations traditionally presumed to be “civil” in nature are breeding grounds for bad surprises!



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Traditional “civil” IRS examinations/investigations:

- In the case of payroll tax deficiencies, potentially resulting in the “trust fund recovery tax” and collection actions, i.e., levies, foreclosures.



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