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Felony Tax Evasion under I.R.C. § 7201

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Research Guides

Felony Tax Evasion under I.R.C. § 7201

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Introduction

The Internal Revenue Service is the federal governmental agency responsible for enforcing the U.S. tax code under Title 26 of the United States Code. The IRS consists of two enforcement divisions. The first is the Examination Division which considers civil tax cases. The other division is the Criminal Investigation Division which examines potential criminal violations. According to the Internal Revenue Manual, criminal tax investigations serve two purposes (1) to enforce the tax laws and (2) to encourage voluntary compliance. (Internal Revenue Manual, Practitioner's Edition P-4-84).

Felony Tax Evasion is outlined under Internal Revenue Code section 7201. This is the most general statute which the IRS may bring criminal tax charges against taxpayers. It is also the most commonly used criminal section because of its broad applicability.

This research guide will explore the scope, elements and defenses of Felony Tax Evasion under the Internal Revenue Code §7201.

About the Author

Vishal Amin - Fall 2004 - Tax

Scope

This research guide will explore the scope, elements and defenses of Felony Tax Evasion under the Internal Revenue Code §7201.

Disclaimer

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Primary Sources

Statutes

i. 26 U.S.C. §7201 - Felony Tax Evasion

This statute grants the Government authority to prosecute anyone who willfully attempts to evade taxes.

ii. 26 U.S.C. §6531 - Statute of Limitations

This statute outlines the period of limitations on criminal prosecutions. The normal period of limitations is 3 years, but the two sections described above fall under exceptions and have a limitations period of 6 years.

Cases

i. Felony Tax Evasion Cases

1. Elements

Sansone v. United States, 380 U.S. 343, 351 (1965)	This Supreme Court Case outlines the elements of a §7201 violation. They are (1) the existence of a Tax Deficiency, (2) an affirmative act constituting an evasion or attempted evasion of the tax, and (3) willfulness.
United States v. Bishop, 264 F.3d 535, 545, (5th Cir. 2001)	A recent 5th Circuit case outlining the above elements
United States v. Carlson, 235 F.3d 466, 468-69, (9th Cir. 2000)	A recent 9th Circuit case outlining the above elements
United States v. Pittman, 194 F.3d 59, 65, (2nd Cir. 1999)	A recent 2nd Circuit case outlining the above elements
United States v. Brooks, 174 F.3d 950, 954, (8th Cir. 1999)	A recent 8th Circuit case outlining the above elements
United States v. King, 126 F.3d 987, 989, (7th Cir. 1997)	A recent 7th Circuit case outlining the above elements
United States v. Barrow, 118 F.3d 482, 489, (6th Cir. 1997)	A recent 6th Circuit case outlining the above elements

a. Existence of Tax Deficiency

Courts have the responsibility of defining what constitutes a tax deficiency under §7201. There is a Circuit split dealing with whether or not the Code requires a "substantial" deficiency. Only the Tenth and Second Circuits require a "substantial" deficiency. "Substantial" deals with the amount of the tax evaded. Unfortunately, no court has clearly defined the term "substantial." (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1118 (2003)).

United States v. Barrow, 118 F.3d 482, 489, (6th Cir. 1997)	Finding a only a deficiency must exist, without noting the need for a substantial deficiency.
United States v. Tanios, 82 F.3d 98, 100 n.6, (5th Cir. 1996)	Finding a substantial deficiency is not required by the Code.
United States v. Marashi, 913 F.2d 724, 735, (9th Cir. 1990)	Holding that the language of §7201 has no substantiality requirement
United States v. Williams 875 F.2d 846, 851, (11th Cir 1989)	Holding that in criminal tax proceedings, the critical issue is whether there is a deficiency, not the type or amount of that deficiency.
United States v. Mounkes, 204 F.3d 1024, 1027 (10th Cir. 2000)	Holding that the government must prove 1) the existence of a ***substantial*** tax liability, 2) willfulness, and 3) an affirmative act constituting evasion or attempted evasion.
United States v. Koskerides, 877 F.2d 1129, 1137 (2nd Cir. 1989)	Holding, the elements of tax evasion under §7201 are (1) willfulness, (2) the existence of a tax deficiency, and (3) an affirmative act constituting an evasion. ***Also, the deficiency must be substantial***.

The government may use either direct or circumstantial evidence to prove that a deficiency existed. The most accurate way of proving a deficiency by direct evidence is the "specific item method." This entails using the taxpayer's books and records to show they did not report taxable transactions. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1118 (2003)).

United States v. Pisani, 773 F.2d 397, 405 (2d Cir. 1985)	Here, the court allowed IRS to use records of funds taken from campaign for personal use as evidence of unreported income.
United States v. Marabelles, 724 F.2d 1374, 1378 (9th Cir. 1984)	Here, the court affirmed the use of canceled checks to establish taxpayer's gross receipts greatly exceeded reported income.
United States v. Bishop, 264 F.3d 535, 550, (5th Cir. 2001)	Finding when using net worth method, government must prove substantial unreported income, but need not prove exact amount of unreported income.
United States	Here, the court stated, The government may choose to proceed under any single theory of proof or a

v. Hart, 70 F.3d 854, 860 (6th Cir. 1995)	combination method, including a combination of circumstantial and direct proofs.

Circumstantial Evidence

- Net Worth Method - This is the method the government uses most frequently to show an existence of a tax deficiency. Its basic formula consists of taking the taxpayer's "opening net worth." It then proves increases in the taxpayer's net worth for each succeeding year during the period under examination and calculates the difference between the adjusted net values of the taxpayer's assets at the beginning and end of each of the years involved. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1119 (2003)).

Holland v. United States, 348 U.S. 121, 125 (1954)	finding net worth cases must have as essential condition "the establishment, with reasonable certainty, of an opening net worth.
Yoon v. Comm'r, 135 F.3d 1007, 1012 (5th Cir. 1998)	Here, the court discusses net worth method and how it works, and finding a burden on the government to establish opening net worth with "reasonable certainty"

- Cash Expenditures Method - To establish a deficiency, the government must demonstrate that the taxpayer's expenditures taken from taxable income exceed the income reported by the taxpayer. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1120 (2003)).

United States v. Sutherland, 929 F.2d 765, 780 (1st Cir. 1991)	This case outlines the cash expenditures method.
United States v. Marrinson, 832 F.2d 1465, 1469-70 (7th Cir. 1987)	This case discusses the differences between net worth and cash expenditure methods.

- Bank Deposits Method - The "banks deposits" method requires the government to conduct a full investigation of the taxpayer's bank accounts and compare taxable deposits to reported income. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1120 (2003)).

United States v. Conaway, 11 F.3d 40, 43 (5th Cir. 1993)	Here, the court outlines the bank deposits method
Kearns v. Comm'r, 979 F.2d 1176, 1177 (6th Cir. 1992)	A case in which the IRS uses the bank deposits method

b. Affirmative Act

Spies v. United States, 317 U.S. 492, 497 (1943)	Here the court found that crimes of intent, such as tax evasion, require affirmative action. Also, held that stating passive neglect of statutory duty itself may be lesser offense; however, if combined with positive attempt, it could rise to degree of felony. The court also sets forth possible "affirmative acts"; see also United States v. Wilson, 118 F.3d 228, 236 (4th Cir. 1997) (discussing variety of affirmative acts).
United States v. Hunerlach, 197 F.3d 1059, 1064 (11th Cir. 1999)	The court stated that taxpayer must engage "in some affirmative act' to be convicted of Felony Tax Evasion
United States v. Brooks,	Here, the court held that an affirmative act is sufficient, even if facially innocuous

174 F.3d 950, 956 (8th Cir. 1999)	
United States v. King, 126 F.3d 987, 989-90 (7th Cir. 1997)	The court here found an affirmative act to be "conduct undertaken at least in part because of a tax evasion motive."
United States v. Barrow, 118 F.3d 482, 489 (6th Cir. 1997)	The court lists an affirmative act as a necessary element of tax evasion.
United States v. Nichols, 9 F.3d 1420, 1422 (9th Cir. 1993)	The court here held that failing to file tax return does not alone qualify as an affirmative act required for tax evasion prosecution.

The Affirmative Act language has been broadly construed and includes:

Sansone v. United States, 380 U.S. 343, 352 (1965)	The Supreme Court held that filing false return "constituted a sufficient affirmative commission"
Spies v. United States, 317 U.S. 492, 499 (1943)	Here, the court inferred that a willful attempt to defeat or evade taxes included keeping double sets of books and the court also inferred that a willful attempt to defeat or evade taxes included false entries or alterations
United States v. Jones, 816 F.2d 1483, 1488 (10th Cir. 1987)	Here the court explained that misstating income on tax returns was an affirmative act.
United States v. Townsend, 31 F.3d 262, 266 (5th Cir. 1994)	Here the court stated that preparation of a fraudulent Form 637 with forged signatures fulfills affirmative act requirement.
United States v. DiPetto, 936 F.2d 96,	The court held that knowingly filing a W-4 Form with false information and failing to correct information was affirmative act.

97 (2d Cir. 1991)	
United States v. Conley, 826 F.2d 551, 556-57 (7th Cir. 1987)	The court there found affirmative acts where defendant transferred title of his house and manipulated accounts to shield them from IRS
United States v. Valenti, 121 F.3d r327, 333 (7th Cir. 1997)	"An act, 'even though a lawful activity in-and-of-itself, can serve as an affirmative act . . . if it is done with the intent to evade income tax'" (quoting *United States v. Jungles, 903 F.2d 468, 474 (7th Cir. 1990))*
United States v. Voigt, 89 F.3d 1050, 1090 (3d Cir. 1996)	There the court held the "affirmative act" element of tax evasion can be satisfied if tax evasion motive plays any part in such conduct

c. Willfulness

Cheek v. United States, 498 U.S. 192, 201 (1991)	The Supreme Court held that willfulness in this context (dealing with a §7201 prosecution) simply means a voluntary, intentional violation of a known legal duty.
United States v. King, 126 F.3d 987, 992, (7th Cir. 1997)	"Satisfaction of the willfulness requirement is closely connected with the affirmative act element." (quoting *United States v. Romano, 938 F.2d 1569, 1572 (2d Cir. 1991))*
United States v. Mal, 942 F.2d 682, 685 (9th Cir. 1991)	There the court noted the act of filing false and fraudulent tax withholding certificate was sufficient to establish willful commission.
United States v. Bishop, 412 U.S. 346, 361 (1973)	"The Court's consistent interpretation of the word 'willfully' to require an element of *mens rea* implements the pervasive intent of Congress to construct penalties that separate the purposeful tax violator from the well-meaning, but easily confused, mass of taxpayers."
United States v. Bok, 156 F.3d 157, 166 (2d. Cir. 1998)	There the court found the failure to file personal or corporate returns shows intent to evade taxes.
United States v. Pomponio (Pomponio I), 429 U.S. 10, 12 (1976)	There the Supreme Court found the willful element to require "more than a showing of careless disregard for the truth."
United States	There the court refused to require bad faith as part of willfulness.

v. Masat, 948 F.2d 923, 931 (5th Cir. 1991)	
United States v. Ruffin, 575 F.2d 346, 354 (2d Cir. 1978)	There the court found that bad faith need not be defendant's motivation in order to be found guilty of willfully evading taxes
United States v. Zanghi, 189 F.3d 71, 78 (1st Cir. 1999)	'The government does not need to show direct evidence of tax motivation' so long as the jury has a sufficient circumstantial basis for inferring willfulness." (quoting United States v. Olbres, 61 F.3d 967, 971 (1st Cir. 1995))
United States v. Klausner, 80 F.3d 55, 62 (2d Cir. 1996)	There the court held that willfulness may be inferred from circumstantial evidence.
United States v. Valenti, 121 F.3d r327, 332-3 (7th Cir. 1997)	There the court found that evidence the defendant bragged about not paying taxes and conducted his business to avoid paying taxes was sufficient to support finding of willfulness
United States v. Wilson, 118 F.3d 228, 236 (4th Cir. 1997)	There the court stated the jury may infer willfulness from "any conduct having likely effect of misleading or concealing"

2. Burden of Proof

United States v. Bishop, 264 F.3d 535, 549, (5th Cir. 2001)	The government bears the burden of proving each element beyond a reasonable doubt.
United States v. Brooks, 174 F.3d 950, 954, (8th Cir. 1999)	See also.

3. Defenses

a. Lack of Deficiency

The taxpayer may rebut the government's charge by showing the nontaxable nature of the income received. Moreover, in cases involving circumstantial evidence, the taxpayer may identify errors in the government's analysis to negate a tax deficiency. The taxpayer may also claim the government failed to investigate and negate exculpatory leads furnished by the taxpayer. Furthermore, the taxpayer may negate an alleged deficiency by proving a deduction or a credit not yet calculated. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1126-25 (2003)).

United States v. Terrell, 754 F.2d 1139, 1144 (5th Cir. 1985)	There the court found the government must take into account cash on hand at starting point of net worth evaluation; increases in net worth are subject to certain adjustments, such as compensating for gifts, inheritances and loans, before government can claim such increases represent income acquired over period in question
United States v. Mackey, 345 F.2d	The court required government, in establishing its proof in net worth case, to investigate and negate reasonable explanations by taxpayer that are inconsistent with guilt

499, 506 (7th Cir. 1965)	
United States v. Ayers, 924 F.2d 1468, 1477 (9th Cir. 1991)	There the court stated government's failure to investigate all leads did not preclude taxpayer from demonstrating at trial that money in question was loan and not income
United States v. Suskin, 450 F.2d 596, 598 (2d Cir. 1971)	There the court decided that the government has no duty to investigate exculpatory leads furnished by taxpayer when mounting case based on specific item approach
United States v. Davenport, 824 F.2d 1511, 1516 (7th Cir. 1987)	There the court stated that besides real estate taxes, legitimate deductions "include such things as medical expenses, charitable contributions, casualty losses, and interest, among others"

b. Lack of Willfulness

United States v. Salerno, 902 F.2d 1429, 1432 (9th Cir. 1990)	There the court held the defendant guilty for falsifying casino slips but not guilty of tax fraud because he did not intend slips be used to falsify tax forms
United States v. Bishop, 412 U.S. 346, 361 (1973)	There the Supreme Court found no willfulness if taxpayer relied in good faith on prior decision of U.S. Supreme Court
Sanders v. Freeman, 221 F.3d 846, 852 (6th Cir. 2000)	There the court stated that an individual may not be prosecuted for violating tax law where statutory provision is ambiguous, unsettled, or vague
United States v. Nash, 175 F.3d 429, 437 (6th Cir. 1999)	The court stated that a taxpayer would not have acted fraudulently in truly believing he was not obligated to pay taxes
United States v. Lindsay, 184 F.3d 1138, 1140-41 (10th Cir. 1999)	There the court found that a protest taxpayer's honest disagreement with tax system and policies not good faith misunderstanding of tax law
United States v. Duncan, 850 F.2d 1104, 1118-19 (6th Cir. 1988)	There the court found that willful blindness has adverse effect on good faith defense to criminal intent

United States v. Harper, 458 F.2d 891, 894-95 (7th Cir. 1971)	There the court held that although a signature on a tax return alone is insufficient to prove knowledge of contents of return, it is *prima facie* evidence of such knowledge
United States v. Shelton, 669 F.2d 446, 459 (7th Cir. 1982)	There the court considered a pattern of failing to file tax returns probative of defendant's state of mind with regard to year at issue
United States v. Jeffries, 854 F.2d 254, 259 (7th Cir. 1988)	The court concluded the defendant acted willfully where it was clear he knew about taxes because he had complied in past
United States v. Dyer, 922 F.2d 105, 108 (2d Cir. 1990)	There the court stated that, without more, filing of amended return supports inference of mistake but not required inference of fraud necessary for conviction
United States v. Claiborne, 765 F.2d 784, 798-99 (9th Cir. 1985)	There the court considered the defendant's experience as lawyer and judge in determining claim of good faith mistake
United States v. Evangelista, 122 F.3d 112, 116 n.4 (2nd Cir. 1997)	There the court rejected a taxpayer's request for jury instruction on "inability to pay"
United States v. McGill, 964 F.2d 222, 238 n.30 (3rd Cir. 1992)	There the court decided a taxpayer, who could have altered lifestyle to meet his tax obligations, could not claim inability to pay as defense to willfulness

c. Third Party Liability or Reliance

The taxpayer may shift responsibility for an assessed deficiency to a third party, such as a tax preparer or lawyer. Reliance on the advice of such third parties does not establish a complete defense, but it does tend to negate the willfulness element. A successful claim of reliance is made when a taxpayer demonstrates good faith reliance on advice obtained after full disclosure of all the facts to which the advice pertained. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1126-27 (2003)).

United States v. Evangelista, 122 F.3d 112, 116-18 (2nd Cir. 1997)	There the court outlined the requirements for a defendant's third party defense. Also, the court found that taxpayers could not establish reliance defense because they did not follow accountant's advice in good faith
United States v. Segal, 867 F.2d 1173, 1178-79 (8th Cir. 1989)	Another case describing third party defense
United States	There the court concluded that relying on advice of counsel is not complete defense, but is circumstantial

v. Conforte, 624 F.2d 869, 876 (9th Cir. 1990)	evidence indicating good faith, which trier of fact may consider on issue of willfulness
United States v. Fawaz, 881 F.2d 259, 265 (6th Cir. 1989)	There the court found the fact that agent of defendant, rather than defendant himself, signed income tax returns does not necessarily negate willfulness element
United States v. Boyle, 469 U.S. 241, 250-51 (1985)	There the court rejected the taxpayer's defense of reliance on estate's attorney to file estate tax because taxpayer should have known tax returns have fixed filing dates
United States v. Charroux, 3 F.3d 827, 831-32 (5th Cir. 1993)	Here the court found that taxpayers did not act in good faith by withholding information from tax professionals

d. Selective Prosecution

A taxpayer who argues the defense of selective prosecution asserts that the government based its decision to prosecute on reasons proscribed by the Constitution. To successfully assert this defense, the defendant must show that the federal prosecutorial policy had both a discriminatory effect and a discriminatory purpose or intent. (Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109, 1127 (2003)).

United States v. Armstrong, 517 U.S. 456, 463 (1996)	establishing same principles of selective prosecution applicable to tax evasion in drug conviction case); see also Pyke v. Cuomo, 258 F.3d 107, 108-09 (2d Cir. 2001) (citing Armstrong for basic elements and principles of selective prosecution claim); United States v. Hastings, 126 F.3d 310, 313 (4th Cir. 1997) (same).
United States v. Schmidt, 935 F.2d 1440, 1449-50 (4th Cir. 1991)	The case outlined the elements of selective prosecution defense in tax evasion case
United States v. Hastings, 126 F.3d 310, 313 (4th cir. 1997)	In Hastings, the court also stated that when a defendant is trying to prove the government selected him for prosecution based on impermissible criteria, it is not sufficient to show the investigators considered impermissible criteria. See Hastings, 126 F.3d at 314. The defendant must also show the actual official who made the decision to prosecute considered impermissible criteria.

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Secondary Sources

Treatises

Kenneth E. North, Criminal Tax Fraud, §§16.40 - 16.54, at 67-84 (vol. 2) (3rd ed. 1998).	GSU Law Library Call Number: KF6334.M34 1998 v.2

Loretta C. Argrett, Criminal Tax Manual, §§ 8.01 - 8.09 (7th ed. 1994).	GSU Law Library Call Number: KF6334.A36 T3 1994 v.1
Michael I. Saltzman, IRS Practice and Procedure, ¶ 7A.02 (2nd ed. 2003)	GSU Law Library Call Number: KF6300.S26 2003
Robert S. Fink, Tax Fraud, § 16.01 (2001)	GSU Law Library Call Number: KF6334.F56 2001 v.1

American Jurisprudence

35 Am Jur 2d, Federal Tax Enforcement §§ 391, 446, 549, 550.
35A Am Jur 2d, Federal Tax Enforcement §§ 1198, 1199, 1210, 1214, 1215, 1219, 1222, 1224, 1235, 1248, 1251, 1257.
34 Am Jur 2d, Federal Taxation § 71851 (2004)
13 Am Jur Trials, Defending Federal Tax Evasion Cases, p. 1, §§ 1 et seq.
20 Am Jur Trials, Preparing a Federal Income Tax Case for Trial, p. 255, §§ 1 et seq.

Looseleaf Services

CCH Standard Federal Tax Reporter § 7201 - Attempt to Evade or Defeat Tax Stand. Fed. Tax Rep. (CCH) ¶ 41,305	GSU Law Library Call Number: KF6285.C67 2004 v.17

Articles

American Law Reports

F. S. Tinio, Annotation, ***Reliance on Advice of Attorney, Accountant, or Tax Expert as Defense in Criminal Prosecution for Attempt to Evade Federal Income Tax Under § 7201 of the Internal Revenue Code of 1954***, 3 A.L.R. Fed. 665 (1970)	This annotation collects the decisions in which the courts have considered the question whether a taxpayer can rely on the advice of an attorney, accountant, or tax expert as a defense in a criminal prosecution for attempting to evade or defeat the federal income tax under § 7201 of the Internal Revenue Code of 1954
William E. Aiken, Jr.,Annotation, ***Accused's Right to Bill of Particulars in Criminal Prosecution for Evasion of Federal Income Taxes***, 25 A.L.R. Fed. 8 (1975)	This annotation collects and analyzes the federal cases deciding whether a defendant, charged with criminal evasion of federal income taxes, has a right to obtain a bill of particulars, and the nature of the particulars to which he is entitled. It includes prosecutions charging unlawful attempt to evade or defeat income taxes in violation of 26 U.S.C.A. §7201,
David E. Rigney, Annotation, ***START OF LIMITATIONS PERIOD (26 U.S.C.A. § 6531)AGAINST PROSECUTION FOR ATTEMPTED EVASION OF TAXES UNDER 26 U.S.C.A. § 7201***, 85 A.L.R. Fed. 880 (1987)	This annotation collects and discusses the federal cases in which the courts have expressly construed or applied the provisions of 26 U.S.C.A. § 6531, which sets forth the statute of limitations for certain criminal tax offenses, with respect to when the limitations period against prosecution for attempted evasion of taxes under 26 U.S.C.A. § 7201, and relevant predecessor statutes, begins to run.

A. S. Klein, Annotation, ***TEST OF "WILFULNESS" IN PROSECUTION FOR WILFUL FAILURE TO PAY TAX, FILE TAX RETURN, ETC., UNDER Â§ 7203 OF THE INTERNAL REVENUE CODE OF 1954***, 22 A.L.R.3d 1173 (1968)	Section 7203 of the Internal Revenue Codeof 1954, and earlier counterparts, provide that any person who "wilfully" fails to pay a tax, make a return, keep records, or supply information, where required to do so under the code or regulations, shall be guilty of a misdemeanor. This annotation collects those cases which deal with the test for "wilfulness" to be applied in prosecutions under this statute. Also included are illustrative cases applying the tests for wilfulness to various fact situations.
Phillip E. Hassman,Annotation, ***TAX PREPARER'S LIABILITY TO TAXPAYER IN CONNECTION WITH PREPARATION OF TAX RETURN***, 81 A.L.R.3d 1119 (1977)	This annotation collects the cases which discuss a tax preparer's liability to a taxpayer for losses in connection with the preparation of tax returns.
Phillip E. Hassman,Annotation, ***DISCIPLINARY ACTION AGAINST ATTORNEY OR ACCOUNTANT FOR MISCONDUCT RELATED TO PREPARATION OF TAX RETURNS FOR OTHER***, 81 A.L.R.3d 1140 (1977)	This annotation collects the cases which have considered the need for disciplinary action against an attorney or accountant because of misconduct related to the preparation of tax returns for others. This annotation includes only those cases involving attorneys or accountants who, for a fee, were preparing returns for any person requesting such services. This excludes full-time employees who, as a part of their regular duties, prepare the employers' returns. It also excludes executors of estates, trustees, and the like, who, as part of their duties, may prepare returns for the estate, trust, etc.

Law Reviews

Lee G. Knight, Criminal Tax Fraud: An Analytical Review, 57 Mo. L. Rev. 175 (1992).	This is a great overview of the Criminal Tax Code Sections.
Pamela H. Bucy, CRIMINAL TAX FRAUD: The Downfall of Murderers, Madams and Thieves, 29 Ariz. St. L.J. 639 (1997)	This is another great overview of the Criminal Tax Code Sections.
Suzette Ivanova, Tax Violations, 40 Am. Crim. L. Rev. 1109 (2003).	This is where I got most of my information for this research guide. It provides a great overview with good annotations.
James C. Exnicios, Administration of criminal tax justice: Reading the process, 32 Loy.L.Rev. 921 (1987).	
Mark D. Yochum, Ignorance of the law is no excuse except for tax crimes, 27 Duq.L.Rev. 221 (1989)	
Jeffrey S. Parker, The Economics of Mens Rea, 79 VA. L. REV. 741 (1993)	discussing how willfulness affords criminal tax offenders special treatment

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Computerized Research

Westlaw

Through Westlaw one can access information about Tax Evasion under 26 U.S.C. § 7201 in the following ways

1. Topic and Key Number
    a. 220k5263False Returns or Statements and Attempts to Defeat Tax; Evasion
    b. 220k5262k. Failure to Pay Tax.
    c. 220k5263.35k. Willfulness, Intent or Knowledge.
    d. 220k5300k. Motive, Intent, and Willfulness

e. 220XXXII(B)Criminal Prosecution - Internal Revenue Service

f. 220k5313k. Intent and Willfulness, Income Tax Evasion

2. Search

a. One should try to start searching Law Reviews and American Law Reports.

i. Some helpful search terms include:

1. "IRC §7201"

2. "Felony Tax Evasion"

3. "Tax Fraud"

Non-Legal

Here are some Web Sites Discussing Tax Fraud

1. Fraud and Tax Crimes - Nolo

- A look at who cheats, and how -- and a discussion of what happens if an auditor suspects you of trying to dodge the IRS.

2. Tax Fraud: Judicial Doctrines

- The following website discusses the judicial doctrines that have been developed by the courts to analyze the economic substance of a transaction and then determine its tax consequences. It also discusses defenses to criminal tax charges.

3. White collar crime - tax evasion, tax fraud, tax crimes ...

- Many federal white-collar prosecutions are for tax crimes, such as tax evasion, failure to file income tax returns, or tax fraud. There are some special considerations to keep in mind if you are under investigation for violations of the Internal Revenue Code.

4. Abusive Tax Fraud Schemes

- "Caveat Emptor" This principle of commerce applies to the services and products you buy to complete your tax returns. Whether you are doing your own tax returns or having someone else do them for you, protect yourself by learning about the latest frauds and hoaxes.

5. ThirdAge - Money - Tax Center

6. TaxCrimes Materials

- This link is to a .PDF file. It is large file which discusses the various tax crimes in some length. It was written in 2001, and any information used from it should be checked for updates.

Lexis

You can start by going to the Search Advisor - Tax Law - Federal Tax Administration & Procedure - Audits & Investigations - Criminal Procedure and Penalties

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Associations and Interest Groups

Internal Revenue Services

http://www.irs.gov/

1. the official website of the IRS. It contains all kinds of helpful information on all kinds of tax issues.

2. The site regularly posts Tax Fraud Alerts warning everyday taxpayers about potential abusive Tax Fraud Transactions.

3. Where Do You Report Suspected Tax Fraud Activity?

United States Department of Justice

www.usdoj.gov/tax

The mission of the Tax Division is to handle or supervise civil and criminal matters that arise under the internal revenue laws. The Tax Division strives to ensure consistent application and uniform enforcement of the internal revenue code in order to promote compliance with the tax laws and maintain confidence in the integrity of the tax system.

Tax Division attorneys work closely with the Internal Revenue Service and United States Attorneys to develop tax administration policies; handle civil trial and appellate litigation in federal and state courts; pursue federal grand jury investigations; and handle criminal prosecutions and appeals.

The Tax Prophet

http://www.taxprophet.com/

The Tax Prophet is written by Robert L. Sommers of San Francisco, California, a sole practitioner, with more than 25 years experience as an attorney. He has been Certified as a Specialist in Taxation Law by the Board of Legal Specialization of the State Bar of California. He has practiced law in Hawaii, New York and California. He also wrote a bi-weekly tax column for the San Francisco Examiner newspaper from 1995 through 2000.

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