



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

Tom Rhodus
Gray Reed & McGraw

UT Law CLE – 65th Annual Taxation Conference – December 13, 2017

© Gray Reed & McGraw LLP

 **GRAY REED.**
ATTORNEYS & COUNSELORS



Two Developing Trends in Criminal Tax

© Gray Reed & McGraw LLP

 **GRAY REED.**
ATTORNEYS & COUNSELORS

- 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”

3

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



4

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



5

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.



6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Are You Saying Someone Could Actually Go to Jail ...
for THAT??

Also available as part of the eCourse

[2017 Taxation eConference](#)

First appeared as part of the conference materials for the
65th Annual Taxation Conference session

"Are You Saying Someone Could Actually Go to Jail ... for THAT??"