

1 A. We're asking for accurate amended or delinquent returns
2 because it's a voluntary program and they needed to come
3 forward with correct information.

4 Q. When a taxpayer participates in the LCCI program do you,
5 as a revenue agent, do a traditional audit at the same time to 03:29:58
6 determine how much money they needed to report?

7 A. No.

8 Q. Why not?

9 A. Because our instructions were unless we found any large,
10 unusual or questionable items we were just to focus on the 03:30:11
11 offshore accounts.

12 Q. And to proceed with this information that is requested
13 under the program?

14 A. Yes.

15 Q. Would you please look at Number 9. Could you please 03:30:21
16 read this paragraph to the jury?

17 A. "Complete, accurate report of foreign bank or financial
18 accounts, FBAR, forms for tax years ending after December
19 31st, 1991."

20 Q. Would you continue, please? 03:30:39

21 A. "FBAR forms, or the TD F 90-22.1, are available by
22 contacting the Internal Revenue Service Forms Distribution
23 Center at 1-800-Tax-Form or it can be download from the IRS
24 website."

25 Q. Why is the IRS requiring them to complete FBAR forms to 03:30:57

1 participate in this program?

2 A. It was part of the requirements of the Last Chance
3 Compliance Initiative.

4 Q. Would you please turn the page to page 4 of Exhibit 19.

5 Under this program, when does the IRS require a
6 taxpayer to pay the additional tax that they owe?

03:31:21

7 A. At the time that they file the delinquent or amended
8 returns.

9 Q. Is it just the additional tax that they owe?

10 A. No. It's any other taxes, also, that there is
11 outstanding.

03:31:33

12 Q. Is there any penalties that a taxpayer must agree to to
13 participate in program?

14 A. Well, they agree to penalties that we think are -- that
15 we discuss with them and that we think are justified.

03:31:50

16 Q. So it's not just the tax owed. It's penalties and tax
17 owed.

18 A. Penalties, tax and interest.

19 Q. Did you receive the information that was listed in this
20 letter, Items 1 through 9?

03:32:05

21 A. Yes.

22 Q. Who did you receive this information from?

23 A. I received them from Mrs. -- Mr. and Mrs. Quiel through
24 Christopher Rusch.

25 Q. Would you please look at Government's Exhibit 20 and

03:32:18

1 identify this document.

2 A. It's a fax that I received from Chris Rusch.

3 Q. Did you maintain this document in your file?

4 A. Yes.

5 Q. Do you routinely maintain such documents in your audit
6 file?

03:32:45

7 A. Yes.

8 Q. Is it the standard practice of the IRS to maintain such
9 documents?

10 A. Yes.

03:32:53

11 Q. What is the date of this document?

12 A. May 2nd, 2006.

13 Q. Does this appear to be a true and accurate copy of the
14 document that you received on May 2nd, 2006 and maintained in
15 your file?

03:33:04

16 A. Yes.

17 MS. EDELSTEIN: The Government moves to admit
18 Government's Exhibit 20.

19 MR. MINNS: No objection.

20 THE COURT: 20 is received.

03:33:10

21 MS. EDELSTEIN: Permission to publish, Your Honor.

22 THE COURT: 20 is received, and yes, you may.

23 MS. EDELSTEIN: Thank you.

24 BY MS. EDELSTEIN:

25 Q. Miss Bradley, who sent you this fax?

03:33:17