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From:

Sent: Friday, May 04, 2012 12:24 PM

To:

Cc:

Subject: RE: 12-17-08 Office of Chief Counsel IRS MEMO

I am writing to memorialize a phone conversation we had a moment ago. Recently, during the course of an audit, you discovered that a certain TP had more taxes due than was shown on his return filed with the IRS. Upon investigation, you discovered that the TP's return preparer had shown the TP one return detailing the correct amount of tax due, but then filed another return with the IRS showing less tax due and entitling the TP to a refund. This refund went to an account owned or controlled by the return preparer. The return preparer only paid approximately half this amount to the taxpayer. Following the audit, the IRS assessed the TP the remaining tax. In a prior e-mail you asked me if this situation was similar to that discussed in _____ where a similarly situated TP was defrauded by his return preparer. As we discussed, the cases are similar and your instinct to abate the portion of the assessment against the TP that is attributable to the return preparer's theft of these funds is appropriate. _____

Thank you