

Opening Statement for Kelly Stone

Dear Sirs:

My name is Kelly Stone. My husband, Jeff, and I have been married for 23 years. We have 6 children ranging in age from 20 years to 2 years. We run a small appliance business in Bozeman, Montana and have worked that business since 1985.

In November of 1994 I received a phone call from my sister. She had heard from one of her church friends about a Tax and Insurance Seminar being held at an Insurance Agency in Billings, Montana. The man running this Seminar was supposedly a Christian man with solid morals and an uncanny knowledge of American History. He ran a profound business that helped small business owners with tax reduction. Even, though we had to travel 336 round trip miles to this seminar, and find someone to watch our four children, we decided to go.

We had been without health insurance for six years and with the amount of selfemployment tax we were paying per year, we were beginning to wonder whether our small business adventure was going to succeed or not.

We walked into this seminar with great expectations, and we were not disappointed. This man was not only knowledgeable; he was confident and strongly approved of home school and raising your children with a solid, godly foundation. He had a captivated audience and held our attention with stories of our country's founding fathers and how America was established. His plan for our future was compelling. The money we saved on our taxes we would use to buy medical insurance for our family. We would even have enough to invest in a universal annuity life insurance policy for both Jeff and myself. We often talked about what would happen to the kids if we died. Who would be able to afford to raise my four children? Not only did it take care of that problem but at the age of 65 we could draw on the policy for retirement. This man solved all of our problems with one easy payment a month.

His plan of action was not simple but was easy to understand. We brought in our three most recent tax returns. His plan was to amend the prior three returns, and with the money the government sent us, we would establish two trusts. A personal trust for \$3500 and a business trust for \$3500. This \$7000 would make us untouchable. No one could sue us for any of our hard earned dollars and the IRS could not take any of our assets to cover taxes they might claim we owed. He would prepare our tax returns from now on. With the money we saved, we would be able to pay for our insurance policies. We got all of this for a mere \$180 a month that was automatically drafted from our checking account.

We signed up for his services in November of 1994 and we were audited the following year. The mode of operation for our tax preparer was to appeal at every turn. He was confident that the IRS would not spend the money to pursue our case. The amount was surely insignificant, and he kept assuring us that they would soon give up. By the time we had run the gambit of appeals almost five years had past. We were told to prepare for audit on the remaining years.

The story doesn't end there, but I was only given 5 to 10 minutes to share 8 years of my life. The bottom line is that my tax preparer was sentenced to 6 years in prison. My fear is that my sentence will be longer. I may not go to prison but the affects may be everlasting. I have paid my lawyer and my new accountant thousands of dollars to help us out of this mess. The state is waiting to hear from the IRS before assessing back taxes, penalties and interest. The IRS put a \$32,000 lien on our home. We filed an offer and compromise with them in July of 1999 and it was denied. We appealed and just received our first letter from them in January of 2002. They want me to re-file all the paperwork they required the first time because so much time has past. In the mean time I can't apply for any loans. I can't supply my family with a safe vehicle to ride in. We went an entire winter with no heat source in our house because our pellet stove broke and we had no money to buy a new one. We hold no hope for the future for us or our children- We have no ability to grow or succeed without the forgiveness of our tax debt.

There will always be predators out there that prey on people like me. There is no way to prevent it. There is no way to change it. But I do feel we have a responsibility to try. If victims such as myself could share their stories with the public, that would be the first step. That you are even listening to my story is another step. My story may be compelling but you are the ones that hold the key. You have the ability to educate the public. You have the backing to initiate an advertising campaign that could forewarn the very people that voted you into office. In my eyes it is a solid investment. The people who fall victim to this kind of crime will end up costing the government money that could have been used to prevent the crime in the first place. Even if there was a reward offered, for information leading to arrests and convictions, it would still save you money. These criminals destroy lives. Any action you take will not be too soon.