



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Thursday, March 29, 2001

## Grassley Announces Hearing on Tax Schemes, Scams and Cons

Hearing: "Taxpayer Beware: Schemes, Scams and Cons"  
Date/time: Thursday, April 5, 2001, at 10 a.m.  
Location: 215 Dirksen Senate Office Building

Description: The Internet provides an ideal venue for con artists to promote schemes aimed at tax avoidance. Both tax practitioners and the Internal Revenue Service agree that Internet-based tax fraud scams are on a sharp increase. They believe hundreds of thousands of taxpayers are either participating in these schemes or are seriously considering participating in them by receiving literature and attending seminars. Common themes for these scams are trust arrangements to illegally shelter trust income from taxes and other means of hiding assets. More off-beat scams include quick minister licensing to illegally claim tax benefits, as well as individuals establishing their own countries to seek to shelter assets and income.

Sen. Chuck Grassley, chairman of the Committee on Finance, will convene a hearing to educate taxpayers about tax fraud scams before the April 15 tax filing deadline. He also will explore ways to improve the federal government's policing of Internet-based tax schemes, scams and cons.

Witnesses include a former seller of tax scams who now runs a web site alerting taxpayers to the scam he helped to run and a federal prison inmate who participated in a tax scheme and is now serving a 27-month prison sentence for failing to report \$1.5 million in taxable income to the IRS. He deposited receipts from his dental practice into fraudulent trusts. In addition, the committee will hear from the IRS commissioner, as well as the nation's leading private sector experts on Internet-based tax fraud.

A final witness list will be available later.

