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Steve Leimberg's Income Tax Planning Email Newsletter - Archive Message #191

Date: 05-Feb-20
From: Steve Leimberg's Income Tax Planning Newsletter
Subject: Sandra D. Glazier & the Revenue Officer Compliance Sweep (ROCS) Program - The Importance of Knowing the Difference Between a Scam and When the IRS Is Actually Knocking at Your Door

"I went to bed early because I had not been feeling well. I turned off my phone so I could sleep as late as possible. In the middle of a dream, I was rudely awoken by the sound of my doorbell – ringing very early in the morning.

Fed Ex? Police?

No. A nicely dressed woman is standing outside. I opened my door and said, 'Good morning – can I help you?' and she responded, 'I'm Mrs. and I'm from the IRS. It's about a quarterly return your corporation should have filed – but didn't!'

She was holding up a file with the words, 'Leimberg Information Services, Inc.' on the tab.

Even though I live in Florida, it was cold outside. But even if I didn't have a tax and legal background and hadn't written dozens of articles about tax scams over the years, I was not about to let her in without checking. So I demanded official photo I.D. which she quickly produced – and then I asked her some questions which no one who didn't work for the IRS and didn't have very detailed information on my business could answer. I could not imagine why we wouldn't have done the proper filing (LISI is an S corporation) and I had been assured our CPA had done the necessary filing (he had – but it had been properly filed in another IRS office and for whatever reason it had not been shared with this agent's office).

Still groggy and in my bathrobe, I let her in. She was polite and professional and accepted my answers to her questions and left. Within a few days, she received the verification she needed and the matter was settled. (I, however, was shaken and disturbed by the incident: It's like seeing a police

car directly behind you – not a comfortable feeling even if you know you are driving well within the speed limit).

Although I've never specialized in income tax issues, I've been in the tax field for a long, long time and I'd never heard of a totally unannounced IRS 'visit' triggered by non-criminal matters.

*It happened a few months ago and I figured it must have been an aberration. So I moved on and didn't think about it again until today – when **Sandy Glazier** shared with me (and now **LISI** will share with you) the REST OF THE STORY!"*

Steve Leimberg

Sandy Glazier picks up where **Steve Leimberg** left off with eye-opening commentary that reviews the Service's so-called "Revenue Officer Compliance Sweep" (ROCS) program.

Sandra D. Glazier, Esq., is an equity shareholder at **Lipson Neilson, P.C.**, in its Bloomfield Hills, MI office. She was also the 2019 recipient of Bloomberg Tax's Estates, Gifts and Trusts Tax Contributor of the Year Award and Trusts & Estates Magazines Authors Thought Leadership Award and has been awarded an AEP designation by the National Association of Estate Planners and Councils. Sandra concentrates her practice in the areas of estate planning and administration, probate litigation and family law.

Sandy is the co-author (with Thomas Dixon and Thomas Sweeney) of the important new book [Undue Influence and Vulnerable Adults](#) that was reviewed by Steve Leimberg in [Estate Planning Newsletter #2774](#), which is available for order at this link: [Undue Influence and Vulnerable Adults](#).

Here is her commentary:

EXECUTIVE SUMMARY:

A frequent scam relates to calls and other communications that claim to be from the IRS. Historically we could advise individuals to rest assured that the IRS only communicates via mail and any other form of contact should be considered a scam. Vulnerable adults have been extremely susceptible

to such scams. The IRS recognized, in a consumer alert, that “thousands of people have lost millions of dollars and their personal information to tax scams.”^[i]

Despite this acknowledgement, on January 28, 2020, the IRS announced that it has begun to conduct face-to-face contact with taxpayers as part of a special compliance effort entitled Revenue Officer Compliance Sweep (ROCS).^[ii] Initial efforts are targeting taxpayers in Wisconsin, Texas and Arkansas,^[iii] but the plan is to, ultimately, expand this effort nationwide.

The IRS has indicated that it intends to provide an appointment letter requesting certain information to provide the taxpayer with the opportunity to call the IRS to set up an appointment prior to a visit, but the IRS acknowledges that the first face-to-face contact from a revenue officer is most likely to be unannounced.^[iv] This can be an extremely unsettling and scary event for anyone, but creates heightened concern if the taxpayer is a vulnerable adult. While tax enforcement is an important function of the IRS, such efforts may further open the door to scammers impersonating revenue officers thereby subjecting vulnerable adults to greater risk of loss.

COMMENT:

It may be helpful to alert individuals to:

1. Never provide a social security number or financial information to anyone based upon an unsolicited telephone call, or email;
2. Verify that any written communication they receive originates from and is responded to a verified Internal Revenue office address; and,
3. If someone comes knocking, demand that they provide two official credentials, which should include a pocket commission and a HSPD-12 card. Both of these forms include a serial number and a photo of the IRS employee. While the revenue officer is required to provide the taxpayer with a phone number that can be called to verify the information sought and identity of the revenue agent, current scams often involve calls that provide a call back number that appears to be related to government offices, but in reality is not. Therefore, caution should be exercised if the taxman cometh to your door and efforts undertaken to verify the individual’s credentials before engaging in a communication that provides confidential taxpayer information.

HOPE THIS HELPS YOU HELP OTHERS STAY OUT OF HARM'S WAY!

Sandy Glazier

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CITATIONS:

^[i] <https://www.irs.gov/newsroom/tax-scams-consumer-alerts>

^[ii] Taxpayer Advocate Service, TAS Tax Tip: How to Confirm the Identity of a Field Revenue Officer If They Come Knocking at Your Door, January 28, 2020.

^[iii] *Id.*

^[iv] *Id.*

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