



AFSA - IRS

NEWSLETTER



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Spring, 2017

2017 AFSA Convention
The King and Prince Beach & Golf Resort
St. Simons Island, Georgia
October 29-November 2, 2017





Executive Director Corner – Spring 2017

Hello from the Alamo City, beautiful San Antonio, TX, hope everyone is enjoying these beautiful spring days.

COMING EVENTS:

THE ENCHANTING RHINE RIVER CRUISE

Ama Waterways – June 29th – July 6th

Several AFSA members and I will be embarking in Amsterdam, the Netherlands and traveling to Cologne, Koblenz, Rhine Gorge, Rudesheim, and Mannheim, Germany, then to Strasbourg, France, and disembarking in Basel, Switzerland. Thank you to Kathy Collins of Cruise Planners for your assistance in coordinating the cruise.

CONVENTION 2017:

I am looking forward to again visiting the Golden Isles of **Georgia**, in particular - The King and Prince Resort. It has many years since I have been to that part of Georgia and I am anxiously anticipating all of the luxuries and amenities of the ocean front retreat. While there in addition to visiting with old and meeting new friends I plan to attend the eerie ghost tour on St. Simon's Island and enjoy East Beach. Although East Beach is small it has a diverse birdlife, is nice, wide, and a great place to walk and enjoy the best beach in Georgia, bar none.

Looking forward to seeing you and a friend in the Golden Isles of Georgia during Convention 2017.

Have a fabulous day.

Adieu,

~ Mary ~

In Memoriam

Michael Dreiblatt

Boynton Beach, FL

B. Alan Wells

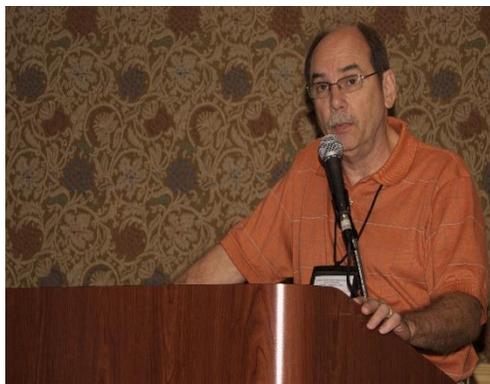
Georgetown, TX

William Bruce Smith

Grand Rapids, MI

Richard (Dick) Jaffe

Miami, FL



A Message from Your President

Greetings to All and Welcome to springtime!!! Some areas of the country had a harder winter than others, but my best guess is that most all of us are happy that the weather has finally broken and the snow is gone for another eight or nine months. It's been a busy last few months for the AFSA and I'd like to report on some of that activity to you in this newsletter. First, and of great importance to our association is to tell you about a very important meeting that First Vice President Peggy Thomas and I had in January with Criminal Investigation Chief Richard Weber and Deputy Chief Don Fort in their office at Headquarters. Second, I want to give you the latest information on our upcoming annual business meeting and convention that will be held in St. Simons Island, Georgia in late October/early November. Finally, I'll give you a brief reminder for you about our "scholarship season" that is now underway.

In January, Peggy and I traveled to Washington D.C. to meet with Chief Weber and Deputy Chief Fort as we had arranged in previous conversations with them. The purpose was basically to discuss ways that our organizations can work together for the good of both our association and the great agency that they lead and from which we retired. Our meeting started with a visit to the newly dedicated "Wall of Remembrance" that was recently constructed in the hallway outside of the Chief's office at 1111 Constitution Avenue. The wall bears the inscription:

"Dedicated with gratitude to the men and women of the United States Department of the Treasury – IRS Criminal Investigation who have sacrificed their lives while serving our mission. With this memorial, we preserve and honor their memory and the sacrifices of the families who gave our country these heroes. May we never forget."

The names of all those who have passed while in service with CI are all inscribed on each side of the center plaque. Chief Weber was very appreciative and he expressed his thanks to the AFSA and to our Executive Director Mary Seguin Ruiz, on behalf of the AFSA, for funding construction of the wall.

Several topics were discussed with Chief Weber and Deputy Chief Fort beginning with our 2015 Annual Business Meeting which they attended, and the upcoming AFSA 2017 Annual Business Meeting and Convention which they plan on attending...schedules permitting, of course. We also broached the subject of the 100th Anniversary of Criminal Investigation in 2019 and offered to assist CI in planning any events that they wished to schedule. We advised Chief Weber and Deputy Chief Fort that the AFSA Board of Directors formed a committee at the suggestion of Regional Director Dave Nicholson and that we believe that the AFSA would be a great resource for both volunteer time and ideas. Chief Weber accepted our offer and arrangements were made to have Committee Chair Nicholson meet with his national coordinator in the near future and begin the planning process. (Note: Anyone interested in assisting in this effort, please contact me, Dave Nicholson, or Executive Director Mary Ruiz, and we will be happy to get you involved.)

Another suggestion proposed to Chief Weber and Deputy Chief Fort was our request to possibly have an AFSA representative attend any CPEs, meetings, or other training conferences held by CI field offices across the country. With Regional Directors, Officers and other qualified members living across the country, we were confident that we would be able to arrange to have a representative attend and explain the benefits of an AFSA membership to them.

Finally, we discussed the awards/honors that HQ gives to special agents during the year and we explained our desires to possibly honor those individuals as well. Efforts are underway to keep us advised and we will hopefully be able to honor those deserving individuals at our annual conventions. Our meeting went well and was very positive.

Next, I am excited to tell you about our upcoming Annual Business Meeting and Convention that will take place from October 29 to November 2, 2017 in St. Simons Island, Georgia. Please take the time to read the article that is included in this newsletter. It gives you just a brief overview of what can be expected. I strongly suggest that you mark your calendars now for those dates and give very strong consideration in attending. We are already receiving positive feedback from others just like you that have never attended an AFSA convention but are planning on attending the convention in St. Simons. What a great opportunity to renew old acquaintances or make some new ones. Go on-line and check out the resort...it can't be beat. Then, call an old friend or a former co-worker and see if they are coming. You can even bring friends...or a group of friends...our conventions are open to them too. What a great way to celebrate life!!!

The tours will be terrific, the dining is outstanding, the golfing and weather should be great, and the tour of FLETC will impress you beyond description. Most importantly the comradery is tops. Please trust me when I tell you that you will enjoy yourself and you will be glad that you came.

Finally, we are once again in our "scholarship season"...the time of the year when our scholarship committee, led by Committee Chair Peggy Thomas, begins the tedious process of reviewing and rating the applications for presentation of our annual scholarships. Check out the newsletter and read Peggy's article about the scholarship process. If you received a tax refund this year, please consider sending a small donation for the Frank Smith Scholarship Fund. The more we have available, the more we can award to your kids, grandkids, great-grandkids, nieces, and nephews. As Officers and members of the Board of Directors, we appreciate it, but I can tell you the kids appreciate it even more!!!

Respectfully Yours,

Dan



2017 AFSA Convention
The King and Prince Beach & Golf Resort
St. Simons Island, Georgia
October 29-November 2, 2017

Mark your calendars now for October 29 – November 2, 2017 and write in the words “Have Fun in St. Simons Island”. That’s because AFSA President Dan Pieschel, along with the AFSA Officers and Board of Directors are proud to formally announce that the 2017 Annual Business Meeting and Convention will be held this year at The King and Prince Beach and Golf Resort in beautiful St. Simons Island, Georgia. Yep, that time of year is rolling around again and will be here before you know it. Planning is well underway and the registration form and very detailed information will be published in the summer edition of this newsletter that is scheduled to be issued in June. In the meantime, we can fill you in on the tentative schedule of events and tell you that we fully expect that once again we will be within our traditional budget. That is very good news considering that the King and Prince is a premium top-shelf location and the only beach resort in the entire State of Georgia that sits directly on the ocean. Add tours to Savannah and the Okefenokee Swamp, the Annual Bob Manzi Memorial Golf Tournament (and other golf on your own at a number of first class courses), and a veritable plethora of other locations and activities that can be enjoyed both on the island and in the ocean, and you have the makings for an absolutely great time.

But the highlight of this year’s convention is going to be a tour of the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. If you haven’t seen it lately, then forget all the stories you heard from other agents and wipe out all the past memories you have of what it was like. It is all totally different now. That’s because FLETC has undergone massive changes since being taken over by the Department of Homeland Security in 2003. FLETC now provides training for 95 Federal Agencies, as well as State, Local, and Tribal Departments throughout the United States. The facility is state-of-the-art and it is the largest provider of law enforcement training in the nation. Since 1970, over a million agents and officers have been trained and FLETC has projected another 77,000 agents and officers to be trained in FY 2017. The numbers for FY 2018 will surely be similar based on the recent announcement by President Trump that an additional 5,000 Border Patrol agents and 5,000 Immigration and Customs Enforcement agents are to be hired. Until the FY 2018 training schedule has been set, we will not be able to announce the exact activities for our tour, but we do anticipate having it finalized within the next 60 days. Watch for details in the next newsletter. Here are some of the possibilities that might be included on our tour:

1. Stop by the Intermodal Terminal Building that was conceived in 2004 when focus was shifted to the vulnerability of America’s transportation modes following the tragedy of 9-11. Included are a train station and a subway, a bus station, and an airplane.
2. Stroll down a street in Danis City, a reality-based residential and commercial training environment that includes many shops that you would see in a typical city. There is also a fully furnished Federal Building that includes a courtroom. Nearby is a residential street with single-family homes and a rural setting that includes a “meth house”.
3. Visit the Virtual Firing Range and test your skills with the latest laser firearms.

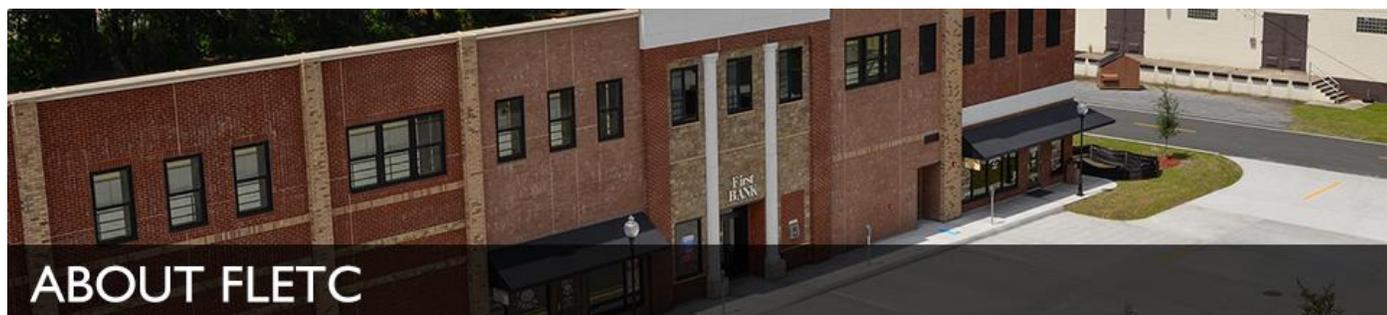
You will be treated to a once-in-a-lifetime tour and experience samples of some of the same training given to Federal law enforcement.

The tentative schedule for now is as follows:

- Sunday - October 29th Arrival and Registration
Trolley Tour of St. Simons Island
The President's Welcoming Barbecue Cook-out and Meet-and-Greet
- Monday - October 30th The Bob Manzi Memorial Golf Tournament
Trolley Tour of Jekyll Island
Board Meeting for AFSA Officers and Board of Directors
Group Dinner (optional) or Dinner-On-Your-Own
- Tuesday - October 31st Tour #1 - Okefenokee Bus Tour, or
Tour #2 - Savannah Bus Tour
Dinner On-Your-Own
- Wednesday - November 1st Bus Transportation to FLETC
Opening Ceremony and Invocation
Welcoming by the National Criminal Investigation Training Academy
Overview by FLETC Public Affairs Specialist
General Membership Meeting
Presentation by/for CI Headquarters
Continued Professional Education Classes
Cocktail/Hors D'oeuvre Reception
- Thursday - November 2nd Tour of FLETC
On-Your-Own Activities
Annual Banquet Dinner
- Friday - November 3rd Departure

During the entire week, we will (of course) have our hospitality room which is always a great place to meet up with old friends or make new ones and we will have a number of suggestions for other activities from which you can choose. The Village of St. Simons is also very close and has lots of shops and dining. We hope to see you there!!!

Dan Pieschel, President
The Officers of the AFSA
The Board of Directors of the AFSA



Frank L. Smith

AFSA COLLEGE SCHOLARSHIP

Where Are They Now



Paula (Durancik) Rojas was the recipient of the first AFSA scholarship when she was a student at the University of Wisconsin, Milwaukee. She graduated with a Bachelor of Science degree in Criminal Justice in 2001. Paula worked as a police officer for the DuPage County (Illinois) Forest Preserve District for nearly two years before being hired by the Lombard Illinois Police Department in May, 2003. She has been with the Lombard Police Department since. Paula is married to a Lombard police officer and has an 11 year old daughter and twin 2 year old boys. She has worked as a patrol officer and is presently assigned to the traffic enforcement detail.

This article could be about your relative who received an AFSA Scholarship. Please submit your information to Mary Ruiz, our Executive Director, or to Peggy Thomas so we can place this information in a future newsletter or have the recipient speak at an upcoming conference.

AFSA- IRS \$2000.00 SCHOLARSHIP AWARDS

It's that time again to start applying for AFSA's College Scholarships. Hopefully the above article has inspired your children, grandchildren, great grandchildren, nieces and nephews to apply.

AFSA offers two scholarship programs, the Frank L. Smith and the James F. Howe Sr. Scholarships. While the two programs are similar, there are significant differences, including qualifications and application procedures. Qualified applicants may apply for both scholarships, but may be awarded only one. Once a student is awarded a scholarship they cannot apply again.

The main differences between the two scholarships are as follows:

- The Frank L. Smith Scholarship the applicant can be a graduating high school senior or without a specified law enforcement career.
- The James F. Howe Sr. Scholarship applicant must be enrolled in a two year or four year college or university. They must also be in a declared law enforcement major or in the profession or major that can lead to a law enforcement career.

Both scholarships require an essay in which the student outlines the career they plan to pursue after graduation and why the student believes they should be awarded the scholarship. The essay is the opportunity for the student to tell the reviewers about themselves and include any special achievements, accomplishments and/or hardships etc. All of the information submitted with the application is reviewed and scored by the reviewers. Students should be encouraged to make sure all applications are complete before they are submitted.

Applications for students are available on line at our website at www.afsa-irs.org. Don't delay, applications will be accepted between April 1 – May 1, 2017.

Remember that these scholarships will not exist without donations from our members. Donations can be made any time online or by completing the information below.

Peggy Thomas

Scholarship Committee Chairperson

DONATIONS: Anyone may make donations to the AFSA for the Scholarship Fund

Name: _____

Enclosed is my check for \$10.00 _____, \$50.00 _____, \$100.00 _____, or other _____

For the AFSA_IRS Scholarship Fund

Send donations to: George F. Meyer, Jr., AFSA Treasurer

P.O. Box 2841, Ponte Vedra Beach, FL 32004

Scholarship Donors Since the last Newsletter

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Peggy Thomas
Floyd Weaver
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John R. Wright, Jr.

The James F. Howe, Sr. Scholarship fund was initially started and funded through the generosity of William R. Schroeder, the President of Madison Associates, Inc. It was created in remembrance and dedication of James R. Howe Sr. as an educational endowment for those individuals interested in law enforcement careers. Mr. Schroeder has continued to fund this scholarship through his donations every year since its inception including a generous donation of \$5,000 this year. We certainly owe a debt of gratitude to Mr. Schroeder for this fund. It is open to anyone interested in donating to the fund in addition to the Frank L. Smith Scholarship fund. Any donations without designation go to the Frank Smith fund so if you want your donation to go to the James Howe fund, please indicate that on your donation.

HISTORIAN'S CORNER – BY AL SELBY

Continuing our profiles of AFSA Executive Directors, MARY SEGUIN RUIZ became our sixth and current Executive Director in January 2013 following MARK KROCZYNSKI. Mary currently lives in San Antonio, Texas, but she has literally been (almost) everywhere and done (almost) everything. Mary grew up in Austin, Texas, and after high school in 1975, she began her IRS career as a GS-2 data entry clerk at the Austin Service Center, moved up to Tax Examiner, and started college. She got married, had two children, quit the service center and college, and eventually also got divorced.

Fast forward in 1984 she went back to the Austin Service Center as a Tax Examiner, resumed college, and in 1986, graduated from Saint Edward's University with a degree in Accounting. She received a letter from the Chief, IRS-CID, inviting her to consider becoming a Special Agent. She believes that was the best thing professionally that ever happened to her because in 1987, she became a Special Agent which gave her more opportunities than she could have ever imagined.

Mary began her S/A career in Austin, Texas, and some of the stops in her IRS-CID career include a transfer to the Rio Grande Valley where she worked primarily OCDETF (organized crime) cases. Her first case involved working with the Texas Department of Public Safety after they had seized 9 TONS of Cocaine. As a result of the joint investigation, 30 individuals were indicted and convicted, and 6 were sentenced to Life in prison. In addition to money laundering and narcotics cases, she worked on an investigation that resulted in the first death penalty case in that Judicial District for a murder committed in furtherance of the defendants' illegal activity. In her spare time, she kept busy acting as recruiter, an instructor for advanced money laundering, financial investigations, and Spanish for Law Enforcement. She was a firearms instructor, an undercover shopper, and an undercover agent.

In 2000 she transferred to San Juan, Puerto Rico, where she served on the HIFCA Task Force (High Intensity Financial Crime Area). During her service in Puerto Rico, she was briefly detailed to Columbia and Costa Rica. In 2003 Mary transferred to San Antonio, Texas, and soon became PIO (Public Information Officer). Within a short time she was detailed to El Paso as SSA (Supervisory Special Agent) which subsequently became permanent. While in El Paso she oversaw a Foreign Income Exclusion Case, which resulted in a precedent setting conviction.

From El Paso, Mary was detailed to the U.S. Embassy in Barbados as Acting Deputy Attaché' and then to Mexico City as Acting Country Attaché'. What a learning experience, including learning to drive on the "wrong" side of the road in Barbados, and learning to drive in heavy Mexico City traffic. She retired in January 2008 while attached to the Embassy in Mexico City.

Mary considers her career in IRS-CID has been one constant learning experience from move after move and job focus after job focus. She is thankful for all the great Agents she has met and worked with, she is especially thankful that she can work part time for AFSA, go to AFSA conventions and meet with old friends and meet newer retired agents.

She said, "Hope to see you in **Saint Simon's Island for Convention 2017.**"

AFSA members

Retired IRS agent has amassed one of the largest badge collections in the nation

Edited from an article in the Orange County Register by DAVID WHITING / STAFF COLUMNIST

Running your fingers over what retired IRS special agent Raymond Sherrard says is one of the most coveted police badges ever made is to step back in history...But it's not the history you'd expect.

Wyatt Earp, Elliott Ness, J. Edgar Hoover step aside.

Our most famous cops aren't officers at all. They're movie actors.

This thick silver, gold and blue metal badge was worn by Jack Webb, the plain-talking cyborg-like police officer on the 1960s television series "Dragnet."

Sure, Sherrard – who carried a gun and went after one of the biggest drug bosses in Los Angeles history – has his own stories to tell. And we'll get to those in a minute. But for now, let's enter an era when Hollywood and law enforcement got along, when it wasn't unusual for a police chief to give a very real badge to a pretend cop and even go so far as to give that actor a very real gun.

FBI HAT TRICK

People collect all kinds of things, from porcelain pigs to toy trains. But there are few things more coveted than military hardware or its close cousin – law enforcement paraphernalia. And there are few cops more dedicated to badge collecting than Sherrard.

How dedicated?

Sherrard, now 72, writes for Police Collector News, the leading police insignia collectors journal, and has published three books on badges: "Badges of the United States Marshals," "The Centurions' Shield – A History of the LAPD, Its Badges and Insignia," and three volumes of "The Encyclopedia of Federal Law Enforcement Patches."

This retired agent is in the midst of writing two more books, one on the history of the Treasury Department, the other on prop badges. Sherrard has consulted on several movies including "Midnight Run," "The Untouchables," and "The Rock." He also has more than 10,000 badges, believed to be one of the largest collections in the nation.

If that sounds like a lot of worthless junk, consider that Sherrard has bid up to \$35,000 for a single badge.

Wait, there's more.

On a recent afternoon at his home in Huntington Beach I put on the certified hat of Hoover's, ahem, number two man, Clyde Tolson. Ah, if hats could tell stories my head would spin. While the hat is out of the closet, I check out a collection of black and blue raid jackets in the closet: FBI, IRS, LAPD.

But what catches my attention is a tattered brown leather diary the size of my hand. The ink is black, the letters cursive, the handwriting hurried and tiny, but legible. The words are written by a postal office inspector and there is nothing especially exciting or remarkable, except that this man truly did his job in snow, rain, heat and gloom of night. And he did it outdoors and on horseback. The year ... 1891.

TAKING DOWN DEALER

Sherrard's study is stuffed with badges, another room is stuffed with badges, a cabinet in his dining room is stuffed with badges.

But it's not just about heavy metal. There also are thousands of soft patches and Sherrard reminds me that behind each badge and patch is a man or woman dedicated to service.

Sherrard grew up on the southside of Chicago and he points out it wasn't far from where gangster Al Capone ran booze and led his mob. Mom was a single mother, money was tight and they lived in the back room of a store. Eventually, they made their way to Long Beach where Sherrard earned a bachelor's degree in psychology. He planned to become a Marine and fight in Vietnam, but he wasn't accepted because of a medical condition. Still, both the Los Angeles Police Department and the Internal Revenue Service offered him jobs. Sherrard chose the IRS job because it paid \$50 more a month. For 28 years until retirement, he loved every day.

The cases were complicated, often took years before a conviction and usually involved several jurisdictions. Sherrard's biggest case involved one Thomas "Tootie" Reese, a Los Angeles drug dealer police to this day call "the black Al Capone."

As a special agent, Sherrard carried a badge and a gun. But like many police details, his job was less than glamorous. The IRS was to try and bust Reese on income tax evasion. That meant going through Reese's garbage. But Reese proved a worthy adversary. In 1972, Reese was sentenced to 15 years in prison on charges of distributing cocaine. A federal appeals court threw out the conviction.

Four years later, the IRS charged Reese with income tax evasion. He was acquitted. Two years after that, the feds hit him with drug distribution charges. He was found not guilty.

Finally, in 1984, Reese was convicted of 20 counts of possession and distribution of cocaine and heroin. This time, the sentence stuck.

"It's over. This time I was wrong," Reese said. "We don't have no defense. I was there with the merchandise. I sold them. I'm relaxed more now. I've accepted my fate."

A decade later, Sherrard, too, retired. Sort of.

HOLLYWOOD BLING

Thousands of steel, chrome-plated and brass badges glisten in Sherrard’s family room for a photo shoot. The badges hail from hundreds of agencies around the country. But the ones collectors covet are ones like Jack Webb’s.

It seems everyone likes a Hollywood police officer. Sherrard even collects the prop flip cases – complete with photo ID. There’s a young Johnny Depp, aka Donnie Brasco, in the film by the same name about an undercover FBI agent. There’s an aging David Janssen as a treasury agent, Jim O’Hara, in the television series “O’Hara, U.S. Treasury.” There are the badges for TV’s “Adam 12,” Martin Milner as veteran cop Pete Malloy and Kent McCord as rookie Jim Reed. There’s even actor Harry Morgan’s badge as “Dragnet” Officer Bill Gannon.

But it appears that the only actor to be given a weapon by Los Angeles Police Chief William Parker was badge number 714, Jack Webb as Joe Friday. As I hold Webb’s badge, I can practically hear his staccato speech in one particularly famous episode: “It’s awkward having a policeman around the house. “Friends drop in, a man with a badge answers the door, the temperature drops 20 degrees.”

Sherrard looks over the array of badges, two of which are his own.

He smiles. And he understands.



Two Important IRA Deadlines in April for Federal Employees and Annuitants

Two important IRA deadlines are approaching in April for federal employees and annuitants, as many of them are in the process of completing the preparation of their 2016 tax returns that must be filed by Apr. 18, 2017. As will be discussed below, even if an employee has filed his or her 2016 tax return, the employee still has time to make an IRA contribution for 2016.

April 1, 2017 Deadline to Take First Required Retirement Plan Distributions

Those employees who became age 70.5 during 2016 and who are the owners of qualified retirement plans and/or traditional Individual Retirement Arrangements (IRAs) must receive their first required minimum distribution (RMD) from their qualified retirement plans and/or traditional IRAs no later than Saturday, April 1, 2017.

Note that the April 1 deadline applies to federal employees who have traditional IRAs, including SEP and SIMPLE IRAs, but not Roth IRAs and qualified retirement plans such as 401(k), 403(b) and 457(b) retirement plans that an employee or annuitant previously participated in but no longer contributes to as a result of no longer working for that company or organization that sponsored the plan. It does not apply to the Thrift Savings Plan (TSP) provided the individual continues to work in federal service.

The Apr. 1, 2017 deadline applies only to the RMD for the first year. For all subsequent years, the RMD must be made by Dec. 31st. An employee or annuitant who became 70.5 during 2016 - that is, who was born between June 30, 1945 and before July 1, 1946 - must receive his or her first RMD by Apr. 1, 2017. The second RMD for this individual must be received by Dec. 31, 2017.

Affected employees or annuitants who became age 70.5 during 2016 must figure the RMD for this first year by using the life expectancy number as of their birthday in 2016 and their retirement account or IRA balance as of Dec. 31, 2015. An IRS custodian reports the year-end account value to an IRA owner on IRS Form 5498 in Box 5. Worksheets and life expectancy tables for making this computation can be found in the appendices to IRS **Publication 590-B (Distributions from Individual Retirement Arrangements)** which can be downloaded at www.irs.gov.

April 18, 2017 is the Deadline for Making 2016 IRA Contribution

Employees have until April 18 to make their 2016 IRA contribution. For some employees, a 2016 IRA contribution can qualify for an income tax deduction and perhaps a tax credit. The maximum contribution that can be made to an IRA for 2016 is summarized in the following table:

Age	Maximum Contribution
Under Age 50 as of 12/31/2016	\$5,500
Over Age 49 as of 12/31/2016	\$6,500

BNA Daily Tax Report, Feb. 28, 2017

Criminal Investigations: IRS Opens 12 Percent Fewer Criminal Investigations in 2016

By Colleen Murphy

The IRS Criminal Investigation division launched about 12 percent fewer investigations last year than in 2015 across a variety of areas, continuing a decline since 2013, according to a report the office released Feb. 27. The drop-off, the third consecutive year of declines, is “strictly due” to fewer agents available to work cases, Richard Weber, chief of the division, said on a Feb. 27 press call. The Internal Revenue Service as a whole has lost more than \$900 million in federal funding since 2010, which has caused a ripple effect on the agency's ability to hire and retain employees.

The division is further crippled by the White House's hiring freeze for federal agencies, which President Donald Trump signed Jan. 23. Officials are “still working through the executive order” and considering whether it is possible to get exemptions for some employees, because the division is technically a law enforcement agency,” Weber said.

Special agent staffing dropped about 19 percent between fiscal years 2011 and 2016, according to the report. The office loses about 140 to 150 special agents per year because of retirement, and the division doesn't have the funding to do more hiring, Weber said. In total, the division started 3,395 investigations in 2016, according to a news release (IR-2017-47).

“It's very difficult to do everything I believe we're mandated to do,” he said, adding there are some areas of the country with only one or two agents per post. “There are areas on the map that we just don't have enough coverage to be able to work.”

While investigations opened in areas including identity theft and money laundering declined, the number of investigations initiated into employment tax and health care fraud increased slightly between 2016 and 2015, the report said. Employment tax issues were a top priority for the division and the Department of Justice in 2016.

A Glimmer of Hope. Treasury Secretary Steven Mnuchin said during his Senate confirmation he hopes to see more staffing for the IRS.

Weber pointed to those comments on the call and said he is “hopeful” the budget for the division would increase as well if the IRS were to get a boost for hiring. Weber hasn't spoken to Mnuchin.

Lawmakers have in the past considered pulling the division out of the IRS and placing it in the Treasury Department, an idea floated in a bill (H.R. 5296) introduced in May by Rep. George Holding (R-N.C.). Ways and Means Chairman Kevin Brady (R-Texas) told Bloomberg BNA in December the idea is something lawmakers are still considering as they plot a tax overhaul.

“My view is wherever we are, whether we're in the IRS, a different part of Treasury or a different part of government, we need the proper resources to do the tax crime cases and the other financial cases are working,” Weber said.

Current Cases

Atlanta FO: Georgia Woman Sentenced to 46 Months for Tax Fraud Scheme

Regina Renee Ellis was sentenced on January 12, 2017 to 46 months in prison following her conviction on federal access device fraud charges. An investigation revealed that Ellis and another individual used the personal information of over 400 individuals to file fraudulent federal income tax returns. In addition to 46 months' imprisonment, Ellis was sentenced to a three-year term of supervised release, and ordered to pay restitution in the amount of \$ 1,672,971.

Chicago FO: Illinois Business Owner Sentenced for Identity Theft, Filing False tax Returns

On January 17, 2017, in Chicago, Illinois, Carlos Smith was sentenced to 60 months in prison, two years of supervised release and ordered to pay \$633,884 in restitution to the IRS. On Oct. 19, 2016, Smith pleaded guilty to aggravated identity theft and theft of government funds. From approximately January 2011 through April 2015, Smith stole personal identifying information (PII) obtained from individuals who sought credit repair or credit card processing services through CLS Financial Services Inc. (CLS), a business Smith operated, and used the information to file false individual income tax returns. Smith also stole identities of individuals who worked for Chicago's Board of Education and used this information to file false individual income tax returns. Smith filed approximately 92 fraudulent income tax returns, claiming more than \$1 million in refunds. Smith directed the fraudulently obtained tax refunds to prepaid debit cards, addresses, and bank accounts he controlled, including accounts opened in the names of individuals whose identities he had stolen. Smith also filed his own false individual income tax returns for 2012 through 2014.

Philadelphia FO: Former IRS Employee Sentenced In Tax Fraud Scheme

On January 12, 2017, Modestine Gillette, a/k/a/ "Cookie," was sentenced to twelve months and one day imprisonment for carrying out three separate schemes that defrauded her former employer – the Internal Revenue Service ("IRS"). Between October 2008 and March 2012, Gillette was employed on an as needed basis by the IRS as a Contact Representative. During her time of employment, Gillette arranged for the deposit of multiple tax refunds into a bank account that she controlled. Among the deposits to this account was a false federal income tax return filed using a stolen identity. In addition, Gillette prepared and filed fraudulent tax returns on behalf of several individuals. Gillette kept approximately 12,869.00 worth of her clients' tax refunds for herself. She did so without their knowledge. Gillette also filed a false 2011 federal joint income tax return, in which she failed to report all of her income.

Cincinnati FO: Sentencing in Ticket Scam Involving Stolen Credit Cards and an Unlicensed Bitcoin Exchange Service

Daniel Mercede was sentenced to 79 months in prison and was ordered to pay \$424,222.95 in restitutions to the victims of a scheme to purchase concert and event tickets with stolen credit cards and then reselling them. Mercede's offenses included identity theft, the use of fictitious bank accounts, and the illegal use of an unlicensed bitcoin exchange service. Mercede used stolen and fraudulently obtained credit card information from dozens of people to purchase tickets to concerts and events from ScoreBig, a California-based company that sells tickets. He had the tickets sent to his or his parents' homes in Ohio. He then resold the tickets for events throughout the U.S. on StubHub, and received the funds by check or through PayPal.

Mercede attempted to obtain more than \$3 million in combined fraudulent proceeds between 2014 and 2016, and obtained more than \$424,222. He used money for his own personal enrichment, including purchases of luxury cars, expensive jewelry and exotic vacations.

Tampa FO: Tampa Mother Sentenced for Tax Fraud Conspiracy Along with Her Sons

On March 20, 2017, In Tampa, Florida, Elise Ellis was sentenced to 18 months in federal prison and 6 months' home detention for conspiracy to commit tax fraud and aggravated identity theft. As part of her sentence, the Court also entered a joint and several money judgment in the amount of \$221,000, representing the proceeds of the tax fraud conspiracy. Ellis pleaded guilty on January 3, 2017. Her sons, Keith Godbolt and Paul Johnson, were previously sentenced to four years and three years and six months, respectively, for their roles in this case. According to court documents, from August 2011 through April 2013, Ellis, Godbolt, and Johnson conspired to commit wire fraud, theft of government property, and identity theft by electronically filing fraudulent tax returns in the names of others, using their social security numbers. The fraudulent tax refunds were directed to bank accounts in the defendants' names, or in some cases, to debit cards that they controlled. Ellis and her sons then withdrew the fraudulent refunds by writing checks or otherwise transferring funds to each other through bank transfers or cash withdrawals. Most of the fraudulently filed tax returns claimed unusually high taxable interest or dividend income, many using the exact same figure, with a large withholding amount, and a false occupation listed for the taxpayer. Many of the victims were deceased when their false tax return was filed.

Philadelphia FO: Delaware Man Sentenced to 18 Months in Prison

On January 12, 2017, Christopher Ross (hereinafter Ross) was sentenced to 18 months in prison, followed by three years of supervised release. Ross was ordered to pay restitution in the amount of \$449,076.88. Ross previously pleaded guilty to one count of conspiracy to commit wire fraud and one count of money laundering.

Ross and others conspired with one another to devise a fraudulent scheme involving the delivery of stolen automobile batteries to local recycling businesses. Ross and his co-conspirators used rental trucks to remove thousands of used automobile batteries from the warehouse of a trucking company in Middletown, Delaware. They delivered the used batteries to recycling businesses in Delaware and Maryland, in exchange for at least \$449,000.00 in cash and checks.

New Members

James J. Quinn	Novato	CA	94947	jamesjquinn@comcast.net
Neal Roberts	Brighton	MI	48116	Neal.Roberts.MI@gmail.com
Darin Wiewel	Oklahoma City	OK	73162	darinwiewel@yahoo.com
David Perry	Bethpage	NY	11714	casper066@yahoo.com
Gabriel L. Grehan	Arlington	VA	22202	gabegrchan@aol.com
Darci Smith	Spokane	WA	99201	darci.smith@ci.irs.gov
Robin Sabin	Seabrook	TX	77586	robinsabin66@gmail.com
John S. Grammatikos	Clifton	NJ	07012	macedon1@yahoo.com
Jacequeline H. Reynolds	Marietta	GA	30062	jackie628@me.com
Paul R. Connor	Addison	TX	75001	pre@comcast.net

AFSA-IRS Officers and Appointed Officials

<u>Officers</u>		<u>Appointed</u>	
Daniel Pieschel (KY)	President	Mary Ruiz	Executive Director
Peggy Thomas (MD)	VP/President Elect	Bob Armentrout	Parliamentarian
Mark Kroczyński (FL)	2 nd Vice President	A. Jack Fishman	Attorney
Iris Bonannos (AZ)	Secretary	Ross Brown	Newsletter Editor
George Meyer (FL)	Treasurer	Chuck Taylor	Tech Advisor
Jim Meyers (SC)	Past President	Arthur A. Selby, Jr.	Historian

AFSA Regional Directors and Regional Representatives

Region	Regional Director	Regional Representatives	
1	David Nicholson Dunstable, MA	Steven Hickey John Fahey Matthew Cola Robert Galbraith Charles Franssen	Gloucester, RI Providence, RI Babylon, NY E. Amherst, NY Huntington, NY
2	Robert Schmus 609.790.4627 Voorhees, NJ	Alan Fogel John Gagliardo Robert McDugall	Manalapan, NJ Lincoln Park, NJ Blue Bell, PA Ellicott City, MD
3	Gail Donaldson Upper Marlboro, MD	Jim Holloway	
4	Elizabeth Fleaher Cincinnati, OH	Lee Mohs Tom Brandon Ted Boomershine John Fettes	Carmel, IN Avon Lake, OH Kettering, OH Little Rock, AR
5	Cynthia Fish Charlotte, NC	Bill Ryan Terry O'Brien David W. Jansen	Birmingham, AL Raleigh, NC Tulsa, OK
6	Darrell G. Smith 904.825.0802 St. Augustine, FL	Angelo Troncoso Michael Stephens Dave Beitzel Orlan Smith Robert McLaughlin Jeff Karsh Larry Sands	Clearwater, FL Melbourne, FL Naples, FL Orlando, FL Ponce Inlet, FL Plantation, FL Keystone Heights, FL
7	Gerard Dupczak Schererville, IN	Robert Schweitzer Inar "Smitty" Morics Ronald Cipolla Tom O'Halloran Diane L. Schuchardt	Des Moines, IA Eagan, MN St. Louis, MO West Fargo, ND Elkhorn, WI
8	Jacque Riordon Denver, CO	Georgia Taylor Ed Martin Joel Lanoux Iris Bohannon Dennis Carey Mike Mayott	Dallas, TX Austin, TX Richardson, TX Phoenix, AZ Glenwood Springs, CO Billings, MT
9	Richard Malone Los Angeles, CA	Art Royce Alex Seddio Reginald Norberg	Boise, ID San Francisco, CA Seattle, WA



AFSA – IRS Membership Application

We STRONGLY encourage members to apply on line: www.afsa-irs.org, however you may mail completed application with \$50 check payable to AFSA for first year dues to: **AFSA-IRS**

**P.O. Box 761869
San Antonio, TX 78245**

Name: _____

Home Address: _____

City: _____ State: _____ Zip Code: _____ Telephone: () _____

Home Email Address: _____

Date of Birth: _____ Place of Birth: _____

IRS-CI Special Agent Service Dates: From: _____; To: _____ Are you a current Special Agent? _____

Retirement Date: _____; Spouse's Name: _____

Current or Last Post of Duty: _____ Current or last Supervisor & Ph #: _____

Current Employment (type of work): _____

Business Name: _____

Address: City: _____ State: _____ Zip Code: _____

Telephone: () _____ FAX: () _____

Business Email address: _____ Cell Phone () _____

As an AFSA member, I am interested in:

- Doing investigative work _____ Yes _____ No
- Serving AFSA in other positions _____ Yes _____ No
- Being a member of an AFSA committee _____ Yes _____ No
- Being an AFSA Representative _____ Yes _____ No
(Representatives assist Regional Directors)

Place a check mark in the blank for the items that apply to your skills, training, accreditation, or interest:

- A. Attorney _____
- B. Certified Public Accountant _____
- C. Certified Fraud Examiner _____
- D. Enrolled Agent _____
- E. Foreign languages _____
Specify: _____
Language(s) _____
- F. Instructor training experience _____
- G. Foreign: _____
Teaching experience _____
Consulting assignments: _____
- H. Computer forensics _____
- I. Investigative equipment training experience _____
- J. Licensed or certified private investigator _____
- K. Management training experience _____
- L. Other skills or investigative interest: _____

AFSA receives requests from various sources for members who may be interested in performing different types of work. If you desire to have this type of information available for AFSA to assist in matching your skills, expertise and abilities to a particular request, please complete this part of the membership form.

Specify _____ Membership is open to all retired, former and current IRS special agents with at least five years IRS special agent service. Current special agents are admitted as non-voting associate members. I am applying (or submitting changes) for membership in the Association of Former Special Agents of the Internal Revenue Service. I am either a retired special agent, a former special agent, or a current special agent. I have neither been convicted of a felony nor left the IRS under any adverse circumstances.

Signed: _____ Date _____

AFSA REGIONS AND AREAS OF COVERAGE

Region	Area of Coverage
1	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont
2	New Jersey and New Jersey
3	Delaware, District of Columbia, Maryland, Virginia, U.S. Territories and International
4	Arkansas, Indiana, Kentucky, Michigan, Ohio, Tennessee, and West Virginia
5	Alabama, Georgia, Louisiana, Mississippi, Oklahoma, North Carolina and South Carolina,
6	Florida
7	Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin
8	Arizona, Colorado, Montana, Nevada, New Mexico, Texas, Utah, and Wyoming
9	Alaska, California, Hawaii, Idaho, Oregon, and Washington

AFSA Regional Directors are listed on page 2 of this Newsletter

**ASSOCIATION OF FORMER SPECIAL AGENTS
OF THE INTERNAL REVENUE SERVICE (AFSA)
P.O. Box 761869
San Antonio, TX 78245**

1,235 AFSA members as of March 24, 2017. Help recruit new members for AFSA