



AFSA - IRS

NEWSLETTER



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Special Agents of the IRS*

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2011 – Asheville, North Carolina Las Vegas – 2012



AFSA-IRS Officers, Directors and Appointed Officials beginning January 1, 2011

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In Memoriam

William H. Parker

Arnold, MD
October 27, 2011

Gregory Polvere

Monroe, NY
June 28, 2011

Dominic "Nick" Tomburrini

Bloomfield Hills, MI
September 21, 2011

Thomas E. Eaton, Sr

Atlanta, GA
September, 2011

James Howe, Sr.

Naperville, IL
August 15, 2011

Joseph C. Hilgenberg

Indianapolis, IN
August 2, 2011

Robert L. Browne

Brigantine, NJ
August 15, 2011

Harvey L. Borak

Hartford, CT
July 30, 2011

David A. Ostrager

Brooklyn, NY
July 18, 2011

Nancy J. Jones

Alexandria, VA
October 24, 2011

Walter J. Gross

Stamford, CT
October 29, 2011

COLA Increase for Federal Retirees

For the first time since 2008, federal retirees will see an increase in their cost-of-living adjustment (COLA) in 2012.

Starting January 2012, Social Security recipients and retirees in the Civil Service Retirement System will receive a 3.6 percent COLA increase while those under the Federal Employees Retirement System (FERS) will receive a 2.6 percent increase.

"The 2012 COLA reflects higher costs for goods and services and is an important increase for federal retirees who have not received a cost-of-living adjustment in either of the past two years, even as they face rising costs for the products and services they most use, including health care," Colleen Kelley, National Treasury Employees Union President, said in a statement.

COLAs are determined based on a formula that includes Consumer Price Index (CPI) figures. The CPI, a measure of the average change over time in the prices urban consumers pay for goods and services, increased 3.9 percent between September 2010 and September 2011, primarily because of a rise in gasoline and food prices.

Federal employees' salaries will not be affected by the COLA increase.

President's Message



As we approach the Holiday Season, we all have much to reflect back upon, to look forward to and mostly to be thankful for all that we have achieved. AFSA continues to grow and with everyone's help and participation, we will become a better organization; one in which we can all be proud to be members.

We have re-vamped and improved our Scholarship Award Process and hope to soon include additional funds to expand the scholarship program and thus be able to provide financial support to even more deserving students. We will have more information about all the enhancements and changes as the year progresses.

We had one of our most attended and successful conventions in years at the Grove Park Inn, Asheville, North Carolina. The hard work and dedication of many individuals is what made this year's event a great success. We also conducted a survey after the convention to continue to try to enhance or expand everyone's convention experience. We will be reviewing and implementing many of your suggestions to help us make our next convention even better. More detailed news and information regarding what is in store for our next convention in Las Vegas, Nevada will be out as soon as final plans are in place. What I can tell you is that if you enjoyed Asheville, the sights and activities, the ability to "bring family and friends," then I know you won't miss this opportunity to experience Las Vegas in a way you have never done so before.

The entire AFSA Board wants to wish everyone a safe, happy and joyful Holiday Season with your family and friends.

Lastly I will leave you all with one of my quotes; *"There are parts of a ship which taken by themselves would sink. The engine would sink. The propeller would sink. But when the parts of a ship are built together, they float. So with the events of my life. Some have been tragic. Some have been happy. But when they are built together, they form a craft that floats and is going someplace."* – Ralph W. Sockman

Jose Marrero, AFSA-IRS President

From the Executive Director

Odds and Ends -

- Approved membership continues to grow, recruit your friends. We are currently at 1259.
- Check out our Forum/Discussions on the link. Great place for members to see if someone has something they may want or to share information.
- If you have a contact that frequently hires people with our skills, encourage them to go to our website and post the openings or to contact me at MarkKroczyńskiAFSA@att.net, or 954.475.8628 for more information.
- **Scholarship 2012-** Some major changes ahead, new evaluation, expansion of eligibility to include applicants who are seniors in high school, nieces and nephews of members, and full time post baccalaureate candidates. In addition, the president of a consulting firm has indicated his intention

to donate \$10,000 to an additional scholarship fund to be named after a recently deceased member which will expand the program even more. Details to follow.

- **Convention 2012-** We are excited to announce that the 2012 Convention will be held in Las Vegas at the J.W. Marriott Resort in Las Vegas, this is off-site (not on the strip). It's a beautiful place, and sponsor Howard Karsh is doing a great job. Convention dates are Friday October 12, 2011 – Wednesday October 17. Most business will be conducted on the weekends with some schedule compression so as to attempt to get all member business done in a day and allow time for the social aspect. The same 3 day rates before and after will apply, and we will continue the offer for you to bring your friends. We do ask that you try to ask eligible non-member friends to our convention as well, as we not only want you to have a good time, we would like to expose AFSA to eligible potential members as well. More details to follow.
- **Convention 2011.** Wow, what a success! What a beautiful area and resort. A wonderful and selfless job by Jim and Myrna Meyers, the Selbys, Virgie Marerro, the Pieschels and all the volunteers. Great excursions, perfect weather, incredible, informative CPE and retirement issues discussions, great accommodations and a lot of fun. We had significant attendance, good number of first time attendees and increases in member attendees. You missed a good one, but Howard says 2012 will be outstanding as well. Mark your calendar. ~ Mark

Message from CI Chief Victor Song...



This is my last message to you as Chief of CI as I will be joining the ranks of retired special agents at the end of December. It is always nice to go out on a high note and Fiscal Year 2011 was certainly one of the best ever for CI. Among our greatest organizational successes was our sharpened focus on offshore tax evasion. Our international efforts, including the Offshore Voluntary Disclosure Initiative and the indictments of key bankers and promoters of offshore evasion schemes, have significantly changed people's behavior and the calculation for placing funds offshore.

In addition, thanks to CI's efforts, 30,000 people have re-entered the tax system.

Aside from our international work, CI posted outstanding numbers across all our program areas. We ended the year with over 4700 case initiations, just under 3,000 indictments, over 2,300 convictions, a conviction rate of 92.7 percent (the highest rate in recent years) and our highest publicity rate ever at 88.9 percent.

Perhaps the greatest validation of our efforts was in a recent TIGTA report on CI's investigation trends. It was a great report and noted positive trends in such key areas as legal source tax initiations and convictions, reducing the average number of days to complete legal and illegal source investigations, and surpassing our goal for initiating subject investigations.

Going forward, one of the Commissioner's highest priorities in FY2012 will be to address the growth of refund fraud and identity theft. CI will play a vital role in combating these threats to our tax system.

In closing, I would like to thank everyone in AFSA for your support throughout my CI career. Best wishes to you and your families for a happy and safe holiday season.

From the Editor

I woke up this morning thinking about what I was going to write for my column in this edition. Is that pathetic, or what! Anyway, another convention has come and gone and it never ceases to amaze me how much work our host and hostesses do to get ready for it from planning, arranging, and cajoling to the actual convention itself and all the work throughout the week. This year we have to thank Jim and Myrna Meyers and Al and Nancy Selby for their outstanding work along with the many other volunteers.

Mark sent an email indicating that we had a 49% increase in the total attendance, from 71 to 106 and a 31% increase in members attendance from 42 to 55 members. It's great that attendance was up but with over 1200 members, does that seem like a lot? I can't throw stones since I only started attending the convention three years ago, but you would think we could do better than that. Attendance in the 100's doesn't seem to be asking too much. The convention is a great time to renew and make new acquaintances with people with whom each of us has much in common. I enjoy the excursions which our hosts go to great lengths to set up but my biggest enjoyment is being with people I know and meeting new ones from across the country

I belong to a Masonic Lodge (and a Masonic owned golf course) but rarely ever get to a Masonic meeting, much to my detriment. I'm sure I'm missing out on meeting and being around some great people. The Mason's, however, don't require attendance because their philosophy is that **everything** else comes first and if you then have the time, you should come to their meetings. Maybe that's a good philosophy for the Masons and AFSA but as I indicated I think I and the rest of the membership is missing a significant amount by not attending. So if you can, think about coming out to Las Vegas next year. Put your grinding axes away and try to start anew.

The Around the Nation section of this newsletter includes a disturbing news article relating to one of our members but I wanted to start the section with something positive so I started it off with one of our members receiving the Congressional Gold Medal and that is great news. Interesting article on the offshore tax dodgers was sent by Ray Sherrard. Seems the program is working well! Maybe we can reduce the deficit! A new legislative liaison has been appointed and wants your feedback on what is important to you so take a few minutes and send Jeff Karsch an email and let him know what you think. While you are at it send one to me also and let me know your thoughts on IRS, the convention, retirement or anything else you want to get off your mind. I try to find some interesting content but could certainly use your help. I won't print your letter if you don't want it printed.

Hopefully you received this newsletter before the holidays and if you did, here's hoping that you all enjoy and fantastic holiday season. I've run out of things to say so I'll see you next time. Ross.

Many Uses of WD-40

Have you ever wondered what WD-40 is made of and how it was created? WD-40 stands for Water Displacement #40. The product began from a search for a rust preventative solvent and degreaser to protect missile parts. WD-40 was created in 1953 by three technicians at the San Diego Rocket Chemical Company. Its name comes from the project that was to find a "water displacement" compound. They were successful with the fortieth formulation, thus WD-40. The Corvair Company bought it in bulk to protect their Atlas missile parts.

Ken East (one of the original founders) says there is nothing in WD-40 that would hurt you. The basic ingredient is FISH OIL. Future issues will show the many uses of WD-40 as space permits.

FRANK L. SMITH AFSA COLLEGE SCHOLARSHIP

AFSA-IRS offers an annual college scholarship for children, grandchildren, and great grandchildren of its members. Each applicant can apply every year that they are eligible, whether they were awarded a scholarship in the past or not. The \$2,000 annual scholarship is available to those college students who are pursuing at least a 4-year degree. Applicants must submit the application form together with a personal letter outlining the career you plan to pursue after graduation and why you believe you should be awarded the AFSA Scholarship. Letters of reference and recommendation must also be provided with the application. The AFSA Scholarship Committee will review the applications and recommend the select of the annual scholarship winner.

MEMBER DONATIONS SINCE SUMMER NEWSLETTER

William C. Ryan

Applications will be available on line. The process is being expanded include nephews and nieces of members and graduating seniors in high school as well as full time post graduate students. Keep an eye out for the new forms and procedures on both the Website, in the emails and newsletter. Applications should be submitted to the Office of the Executive Director, AFSA-IRS, P.O. Box 451148, Sunrise, Florida 33345-1148 and must be received by the AFSA-IRS, Executive Director by May 1 of the year the scholarship is to be awarded. The award recipient will be notified and the award will be mailed directly to the institution on the recipient's behalf.

To make a donation, please fill in, clip and mail the following with your check or other form of payment.

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

AFSA-IRS Convention 2011 Highlights

Friday, September 30, 2011



Total attendance at this year's convention included 106 attendees. The convention kicked off with The Bob Manzi Memorial Golf Tournament held at the Grove Park Inn Country Club, a 100 year old Donald Ross designed golf course. The Past AFSA President's welcoming reception was a casual group buffet held on the Sammons Balcony Terrace. The hospitality room was open following dinner allowing the members and guests to socialize in a casual atmosphere.

Saturday, October 1, 2011

The second day of the convention began continental breakfast thanks to Jim and Myrna Meyers and Al and Nancy Selby and later with the annual AFSA board meeting. Some of those not attending the board meeting were able to enjoy an historic tour of the Grove Park Inn, while others chose to explore Asheville and took advantage of the Historic Trolley Tour Pass which was available throughout the convention. The AFSA-IRS annual meeting was held in the afternoon. Later, many of the attendees boarded chartered motor coaches destined for the Highland Lake Inn for a group buffet dinner followed by a "Sounds of the 60's concert" featuring "The Beatles at their Best" at the North Carolina Playhouse in Flat Rock. The return trip to the Inn included an "Asheville Under the Lights" tour.

Sunday, October 2, 2011



Sunday began with many of the convention goers taking in the fall color foliage by motor coach via a scenic route through the mountains for a shopping visit to Bryson City, NC and the Smokey Mountain Railroad Museum. The tour included a round trip Railroad tour. While this major tour was in progress, the annual AFSA CPE and Consultant's Summit was conducted, including the following vendors:

Thomas D. Lasich
 Consultant
 Basel Institute on Governance
 International Centre for Asset Recovery

John D. Lenoir, Esq., PhD
 Managing Director
 KeyPoint Government Solutions
 Investigations Services Group

Bill Bruton, representative
 Madison Associates Inc.

Thelma H. Harris, Senior Associate
 McKing Consulting Corp.

Jose Marrero, Partner
MRW Consulting Group, LLC

Mary Fran Martin, Vice President
Pinkerton Consulting & Investigations

Jack Taylor, Partner
Professional Risk Management, Inc.

Kathy Lavinder
Security & Investigative Placement Consultants

Jack Fishman also made an informative presentation to the attendees regarding some critical issues when creating a will.



After the presentations were made, a social hour was arranged, allowing anyone interested to have one-on-one interactions with any of the vendors in attendance. The vendors made themselves available for questions and answers and provided brochures including information by and about each participating company. Later in the evening the AFSA Convention Banquet was held followed by the Hospitality Suite for some additional refreshment and socializing.

Monday, October 3, 2011

The morning began with the usual continental breakfast and was followed by a presentation by Michael J. Feeley of Pension Advisory Services regarding retirement financial information and issues relating to CSRS, FERS, Thrift Savings, Social Security and Medicare news and developing legislation. The session was open to all of the attendees of the convention and provided valuable information on retirement issues. Don Blanchard, Claims Representative, Social Security Administration gave a presentation on Social Security and Medicare as they relate for CSRS and FERS retirees. Both presentations were extremely well done and provided the information needed by the group as evidenced by the numerous questions.



After the seminar, many in attendance took the Biltmore Estate Tour, Part 1, which included a group buffet lunch at the Deer Park Center an afternoon tour of the Biltmore Estate Mansion including the Mansion gardens and the Stable Arcade Shops. We were on our own for dinner in the evening.

Tuesday, October 4, 2011

The annual AFSA-IRS pistol match was conducted (as a regular part of our annual conferences) this year at Asheville, NC. The match was held at Rex's Gun Range in East Flat Rock, NC. The course of fire for this match was the same one used in all prior AFSA matches for consistency and comparability. The first annual match was conducted in 2004 at San Antonio. The course of fire consists of ten strings of five rounds each fired from three, seven, and fifteen yards with varied amounts of time. We use the NRA B-27 silhouette target with a maximum possible score of 500.

Charlie Gibb, NRA certified instructor and range safety officer, served as rangemaster. Shooters at this match were Fred Boyd, Lennis Brinson, Bill Connors, Jim Meyers, Leonard Pavia, and Dave Swire. First Place honors went to Bill Connors with a very impressive score of 497. Jim Meyers was close behind with an also impressive score of 493. Trophies were presented, at the range, to the two top shooters. All participants at this match proved themselves very competent pistol shooters. Congratulations to them all.



Later in the morning, our motor coach departed for day 2 of touring on the Biltmore Estate. Lunch was in several available restaurants within Antler Hill Village with “The Bistro” recommended by Jim and Myrna Meyers, our convention co-hosts. The “tourists” then re-boarded the motor coaches for a guided tour titled “Legacy of the Land” and a return to Antler Hill and the Biltmore Estate Winery. Dinner was again on our own with the convention closing evening in the Hospitality Suite and checkout on Wednesday .

Convention 2012 Las Vegas

Next year's convention is being held at the J W Marriott Resort in Las Vegas from October 12–17, 2012. A finalized version of the schedule of events will be available online and in the Spring newsletter.

AROUND THE NATION

Congressional Gold Medal Winner

The Congressional Gold Medal is the highest civilian honor bestowed by the United States Congress. The decoration is awarded to an individual or group who performs an outstanding deed or act of service to the security, prosperity and national interest of the United States. The medal was first awarded in 1776 by the Second Continental Congress to Gen. George Washington during the American Revolutionary War. Some of the other recipients are: Sir Winston Churchill, Thomas Edison, Mother Teresa, and Navajo Code Talkers. In December 2011, at the Capitol of the United States in Washington D.C., the 100th Infantry Battalion, the 442nd Regimental Combat Team and members of the Military Intelligence Service will be awarded the Congressional Gold Medal in recognition of their dedicated service during World War II.

These units were primarily comprised of Niseis (Americans of Japanese Ancestry). **Charles H.**

Moriyama, Staff Assistant, Intelligence Division, San Francisco District (Retired 1980) served with the MIS and will be receiving this award. Hopefully some additional information will be included in the next newsletter.

RENO GAZETTE JOURNAL <http://www.rgj.com/>

Former IRS investigator busted on allegation he was pimping 18 - year - old in Reno

August 5, 2011

Reno, Nevada - A former Reno Internal Revenue Service agent — who resigned a decade ago during an investigation into allegations he used his authority to secure prostitutes — is behind bars accused of coercing an 18 - year - old woman to leave California and prostitute for him in Reno.

Kemp Shiffer, 58, was arrested Wednesday night by detectives in the regional Street Enforcement Team who were investigating online escort advertisements. Shiffer was booked into the Washoe County Jail on suspicion of transporting a person for prostitution and is being held in lieu of \$100,000 cash bail. Shiffer did not have a listed phone number and did not appear to have an attorney. A call to the jail requesting an interview was not immediately returned.

Shiffer had been a veteran agent assigned to the IRS criminal division where he had been the lead investigator into fugitive brothel owner Joe Conforte. His investigation led to indictments being issued against Conforte — which caused him to flee to Brazil — and the closing the Mustang Ranch. The brothel is now open under new management.

In 2006, Shiffer, already retired from the IRS after working there for more than two decades, was one of three financial backers for a proposed brothel in Churchill County called Nevada Petticoat Junction. The county commission denied their request for a special permit to construct and operate the brothel. Sgt. Tim Donohoe said detectives learned Shiffer had driven to Eureka, Calif., picked up an 18 - year - old woman and coerced her into prostituting in Reno so he could obtain the money from her illicit encounters.

Lt. Scott Dugan said detectives are aware of at least two other young women who were also involved with Shiffer's alleged pandering. He said Shiffer had coached the women on how to identify when police were posing as escort customers. Dugan said it was too soon to tell how long his alleged activities were occurring and did not want to disclose how Shiffer allegedly coerced the women to prostitute for him.

The FBI is working with Street Enforcement Team detectives, Dugan said, adding that more charges might be filed. Dugan encouraged any women who may have information about Shiffer or who were involved in prostitution to come forward. He said that police are not interested in seeking criminal charges against anyone; rather, they are seeking information helpful to their investigation.

The three women, ages 18 to 22, are receiving social services to help them get back on track, Dugan said.

Street Enforcement Team detectives learned that about 10 years ago Shiffer resigned from his job as an IRS agent in Reno after Reno police and the FBI began investigating allegations that he was using his authority and showing his law enforcement badge to coerce women into prostitution activities. Dugan said that no criminal charges resulted then. Shiffer runs Financial Investigative Services in Reno, a business he has had

since July 2002, records show. He also was previously associated with Reno girls softball teams where girls ages 4 to 18 played.

Shiffer pleaded guilty in U.S. District Court in Reno to transporting a woman from California to Nevada for the purpose of prostitution. He was arrested at a south Reno casino after an 18-year-old California woman summoned him there, in a call monitored by authorities, to give him \$400 she said she earned through prostitution. The woman had earlier allegedly agreed to have sex with a detective conducting an investigation into online escort advertisements. Shiffer had been indicted by the federal grand jury in Reno on Sept. 28. Sentencing for Shiffer is scheduled for Feb. 14. He faces up to 10 years in prison and a fine of \$250,000, and agreed to forfeit a 2006 Mercedes Benz, an iPhone, computer, and various cameras.

Legislative Liaison Appointed

Earlier this summer **Jeff Karsh** of South Florida volunteered for this position and was appointed by President Jose Marrero. Jeff decided to approach our membership and see what you would like him to do. Jeff's questions were emailed to the members earlier but he request is reiterated as follows:

"Over the past several years there have been unprecedented attacks on the earned benefits of current employees and retirees. These attacks have targeted various areas including health care benefits, pension benefits, and HR 218. To counter the effects of these attacks I believe that it is essential that we focus our efforts on those matters that are the greatest concern of our members.

However, in addition to the attacks there is proposed legislation that could be very beneficial to our members including:

- Premium Conversion --Will allow federal and military retirees to pay health care premiums with pre-tax dollars. This bill could save retirees as much as \$800 per year
- HR 218 qualifications uniformity for IRS retirees
- Repeal of Government Pension Offset and Windfall Elimination Social Security Provision -this provision adversely affects current federal employee by reducing earned Social Security Benefits
- Re-employing Annuitants--Allows federal agencies to re-employ federal retirees on a limited, part-time basis without offset of annuity.

Responses should be directly sent to Jeff Karsh and he will collate the responses to determine our greatest priorities for legislative change. Once we have our top concerns, Jeff believes we could be much more effective in dealing with our Congressional Representatives by eliciting their support on one or two items rather than a laundry list of items.

The Reno Fire of 2011 (as reported by AFSA member Tim Wellesley)

18 November 2011

Prompted by a call from a friend about 3:00 AM, Katherine shouted, "There's a fire outside!" Upon opening the front door, we saw flames and smoke everywhere and neighbors fleeing. Grabbing our computers and Chihuahuas, we got into our SUV and evacuated.

The Reno Fire started just after midnight on Thursday. More than 2 miles separated some of the damaged homes as the winds with gusts in excess of 70 mph spread burning embers down the Sierra front and through a patchwork of canyons and ravines on the city's southwest side. The fierce winds helped the fire spread from 400 acres to more than 3 square miles.

By the next day, media reports indicated that the blaze burned 30 homes, sent 16 residents to the hospital plus a firefighter with serious burns and contributed to the death of a 74-year-old man who went into cardiac arrest packing his essentials as he prepared to flee. At least 400 firefighters from as far as 260 miles away flocked to Reno early Friday as multiple fires roared from the Sierra Nevada foothills in northwestern Nevada and spread to the valley floor. More than 4,000 NV Energy customers lost power as poles and electrical wires were scorched and knocked down. Utility workers were not allowed into the fire area. Looking back toward our neighborhood, well above the valley floor, flames and smoke reached high in the sky and we felt nothing will be left of our home for sure.

By Friday, the winds had died down and snow mixed with ash began to fall. A cold front, moving in from the northwest, surged temperatures downward with humidity levels increasing substantially. Finally, media reports indicated that fire crews were containing the blazes.

By Saturday, we were allowed to pass through police check-points to return home. On the way we passed charred brush, trees, fences and buildings. We were amazed to discover that our small subdivision suffered no destruction; perhaps because it is like a small island surrounded on all sides by vast fairways belonging to the Lakeridge Golf Course. We were certainly blessed. However, we noticed eight houses destroyed immediately to the West of us.

The latest report indicated the fire was 80% contained, and unless weather conditions change, the fires will be totally out early next week.

Offshore Tax Dodgers Repay IRS

Tax dodgers who have stashed money illegally in overseas accounts have paid \$2.7 Billion in taxes, interest and penalties with more to come, according to the IRS (printed in the Orange County Register). IRS began a stepped up enforcement program in 2009 when it offered to allow people who had secret foreign bank accounts to come forward and pay back taxes, interest and penalties to avoid prosecution and possible prison sentences. IRS has said that 30,000 people have taken advantage of the program and that the agency has processed and closed about 80% of the cases from the 2009 round and collected \$2.2 billion so far.

This year's program has brought in \$500 million more in taxes and interest – a number that is expected to grow because it does not include penalties. "My goal all along was to get people back into the US tax system," said IRS Commissioner Doug Schulman. "Not only are we bringing people back into the system, we are bringing revenue into the U. S. Treasury and turning the tide against offshore tax evasion."

Part of the success from the program has been due to the IRS getting tough on tax dodgers who have not come forward. IRS has said offenders have received jail time of months and years. They also have been ordered to pay back hundreds of thousands of dollars to the government.

In 2009, UBS AG, Switzerland's largest bank, agreed to pay \$780 million in fines, penalties, interest and restitution and share information with U. S. officials as part of the effort to identify Americans with money in secret accounts.

Wackiest Tax Deductions

Hell Hath No Fury...

Walt Hatter, CPA at Hatter & Associates in Fort Worth, has seen some generous Texans in his day, but none compare to the woman who literally gave it all away. The client, whose income was in the \$40,000 range, brought in noncash charitable receipts from donations made to various charities. The donation total came to roughly the same dollar amount as her income. Hatter was about to nominate her for sainthood—until he heard the rest of the story.

"She had gotten a divorce; her husband had cheated on her and just never came back," Hatter says. "He called her up and said he would send a moving van to divide their assets. So, she loaded up everything he would want—two or three sets of golf clubs and all the furniture, including some of his family antiques—and took it all to Goodwill. She even had photos of all the stuff!" It fell to Hatter to inform her that she could only deduct up to 50 percent of her adjusted gross income.

"We wound up with something like \$15,000 in contributions," he says. "I just knew that that return was going to get audited, but it never did."

Dancing With the IRS

Who doesn't get a little carried away with the grace and fluidity of ballroom dancing? But according to a Tucson, Ariz., CPA, some dance moves fail to charm the taxman. The accountant's client was an elderly woman who had once been a university professor. When her doctor suggested she take up dancing to improve her arthritic hips, she enrolled at the Arthur Murray Dance Studio.

"The first year, she brought in her tax data and wanted to deduct over \$8,000 in dance lessons," the accountant says. "I got her to have her doctor write a letter and I believe I did deduct it the first year." "The second year, she brought in receipts totaling over \$35,000 for dance lessons and another \$18,000 for gowns and expenses to travel on cruises for herself and her 'instructor' from this dance studio; he was in his 20s and she was about 85 by this time," the accountant says. "I was appalled and obviously did not deduct these expenses as medical -- although I was tempted to call it a theft loss."

The accountant notified adult protective services, which launched an investigation of the situation. Her client died before it was completed.

Of Guard Cats and Canine Contractors

Taxpayers become pretty creative when it comes to devising ways to deduct their pets on their tax returns. In this series alone, we've featured one pet lover who claimed his dog as a dependent, another who attempted to write off the dog food for his "home security system," and yet another who claimed Fido as a landscaping subcontractor. Ed Mendlowitz, CPA at Withum, Smith & Brown in New Brunswick, N.J., has heard it so much that he actually devised a tongue-in-cheek response:

"When I have a client ask me if they can deduct their cat or dog, I usually inquire in a very serious tone about their pet's age and whether the cat or dog is a full-time student. Parrots and other long-lived animals, by contrast, may qualify for elderly benefits."

New Members

Following are the new AFSA members who joined since the publication of the last Newsletter. Please welcome these new members to our organization. The AFSA Website Directory contains more current information for not only each new member but also all current members.

Francine L. Evans	Woodbury	MN	evans_francine@hotmail.com
Janet M. Lanham	Brunswick	GA	Lanham1@comcast.net
Ron Oliver	Katy	TX	texaswildcats@gmail.com
Edward C. Reiser	Burgettstown	Pa	reiser85@comcast.net
Robert Zavadil	Ft. Myers	FL	rmzava@embarqmail.com
Cynthia W. Fish	Stanfield	NC	placeinthepines@hotmail.com
Nick J. Henley	Pleasanton	CA	nickh3889@yahoo.com
Walter G. Pauli	Plainfield	IL	wgpauli@comcast.net
Steven H. Pregozen	Oak Hill	VA	spregozen@hotmail.com
Strown Martin	Ellicott City	MD	stronik@aol.com
Jim Ferebee	Tampa	FL	jrferebee@gmail.com
Alycyn C. Culbertson	Star Valley Ranch	WY	alycynculbertson@msn.com
Stephen R. Myerson	Reno	NV	1430junk@hotmail.com
Michael J. Wright	Cheyenne	WY	wrightcheyenne@aol.co
Ernest M. Fornili	Commerce City	CO	hugmi@comcast.net
Charles E. Hunter	Woodbridge	VA	cehunter62@gmail.com
David Insana	Cranberry Township	PA	davidinsana@zoominternet.net
Gwen Garrett	New York	NY	gjaynee1@aol.com
Ken Nickells	Kerens	TX	knick281@aol.com
John E. Voorhees	Edgewood	KY	je.voorhees@zoomtown.com
James J. Marra	Lakeville	MA	james.j.marra@usdoj.gov
Kenneth Vacek	San Antonio	TX	kvacek@satx.rr.com
Steve Yautz	Harmony	PA	syautzee@aol.com
Joan Totani	New Windsor	NY	joan111961@yahoo.com
Richard Ahern	Lisle	IL	RAHERN164@aol.com
Larry Halper	Las Vegas	NV	trueblue1@cox.net
Jennifer Pollard	Smyrna	TN	udflyer85@bellsouth.net
Connie A. Owens	Bulverde	TX	owensone@gvtc.com
Tami Stine	Lakeside	CA	tlstine@cox.net
Olga Acedvedo	Gambrills	MD	olga.acevedo@fhfa.gov
Steve Hines	Boise	ID	shines5065@gmail.com
Michael J. Balas	Richmond Hill	GA	mjbalas@hotmail.com



AFSA – IRS Membership Application

Mail completed application with \$50 check payable to AFSA for first year dues to:
AFSA-IRS
P.O. Box 451148
Sunrise, FL 33345-1148

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: _____
Specify _____

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.

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

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 451148
Sunrise, FL 33345-1148**

1,259 AFSA members as of November 21, 2011. Help recruit new members for AFSA