



# AFSA - IRS

## NEWSLETTER



*A Publication of the Association of Former  
Special Agents of the IRS*

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Vol. XXXIII No. 2

Summer, 2022

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**2022 AFSA Convention  
Nashville, Tennessee  
Embassy Suites, Nashville South, Cool-Springs  
Franklin, Tennessee  
September 11-14, 2022**



## AFSA 2022 Convention Update

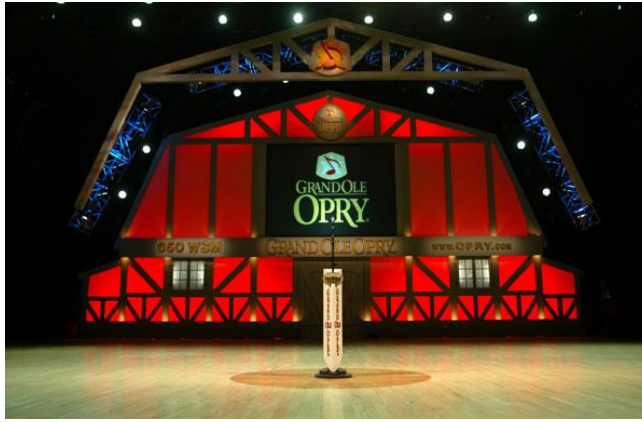
### **2022 AFSA Convention The Embassy Suites Hotel Nashville South – Cool Springs Franklin, Tennessee September 11-14, 2022**



Greetings to Everyone!!! Plans are now set for our 2022 Annual Business Meeting and Convention which will be held from September 11-14, 2022, in Franklin, Tennessee. If you haven't made your reservations yet for the hotel, it is now time to do that, plus complete your convention registration form and submit it to Gerard Dupczak. As explained in the Spring Newsletter and the Eblast that was recently sent to members, arrangements were made with the Embassy Suites by Hilton to host our Annual Business Meeting and Convention in the City of Franklin, just 17 miles south of Downtown Nashville. It is in an area known as Cool Springs. We were able to negotiate a block reservation for our members at a really good rate of \$139.00 per night plus tax, for a total of approximately \$167.00 per night. Instructions and contact information for the hotel are listed at the top of the official AFSA registration form that is also included in this newsletter. And remember...every room at the Embassy Suites is a two-room "suite", plus the rate includes their complimentary cooked-to-order breakfast and their complimentary evening reception nightly in their atrium. Our contract with the Embassy Suites also allows our members to use the block rate for up to three days before and three days after our official convention dates of September 11-14, 2022. As you will see below, we are going to have a very special pre-convention event on Saturday, September 10<sup>th</sup>, to allow you a little extra time to enjoy the Nashville area and all that it has to offer.

#### **Saturday, September 10, 2022**

**The Grand Ole Opry:** What better way is there to start your convention in Nashville, than a visit to the show that helped make country music what it is today. We have arranged a deluxe motorcoach to pick us up at the Embassy Suites at 4:30 pm and then transport our group to a southern-style dinner (location to be determined), and then onto the Grand Ole Opry. We will have reserved seats on the main level in the iconic theatre where we will enjoy the show that has been broadcast live on Nashville radio station WSM since 1925. After the show, the motorcoach will return us back to the hotel just in time for everyone to enjoy a nightcap in the AFSA hospitality room. This is a must-see experience if you visit Nashville!!! The cost for the entire event (transportation, dinner, and show) is \$175 per person.



### Sunday, September 11, 2022

**Registration:** Sunday will be the official start of the convention and will be the day of arrival for most. You will have the option of driving, or flying into the Nashville International Airport, which is an easy 20 mile drive to the hotel. Self-parking will be available at the hotel, and it is complimentary for our group. A registration table will be available in the lobby by 1:00 pm. If you arrive early, you will have the afternoon for yourself. A list of suggested on-your-own activities will be included in your registration package.

**Meet-and-Greet** – Our annual President’s Meet and Greet will be held in the hotel’s Atrium from 6:00pm to 8:00pm. It will be in close proximity to the Manager’s Evening Reception where liquid refreshments will be available. Everyone will be able to gather and see some old friends and meet some new ones. There will be several food stations which might just be the best Meet-and-Greet spread that we’ve ever offered. Be sure to come hungry!!! To top the night off, we will (of course) have our hospitality room open where conversations and nightcaps will be plentiful...as they will be every night.

### Monday, September 12, 2022

**Bob Manzi Memorial Golf Tournament** – Our traditional Bob Manzi Golf Tournament, played annually in memory of one of our former members, will kick things off on Monday morning at The Franklin Bridge Golf Club, 750 Riverview Drive, Franklin, Tennessee 37064. As has been the case in past years, it will be set up in the usual four-person scramble format. The cost will be \$60.00 per person and will include lunch. Times will be announced at a later date, but plan on starting early. Note that those golfers who are either Officers or Regional Directors, will be finished and back to the hotel in time to attend the required Board meeting.



**Music City Tour or Day-On-Your-Own** – If not golfing, you will have the option of either taking a bus tour of Music City or enjoying the day out on your own. The bus for the Music City Tour will depart the

hotel at 9:30 am and will visit numerous sites including Historic Downtown Nashville and the Riverfront, Centennial Park and Bicentennial Park, and The Korean War, Vietnam War, and WWII Memorials. There will be free time for lunch on your own at the newly opened Assembly Hall at 5<sup>th</sup> and Broadway. Finally, admission to the iconic Ryman Auditorium for a self-guided tour is also included. The bus will return everyone to the hotel by 2:30 pm. The cost for this tour will be \$70 per person. If going out on your own for the day is more desirable for you, then there are a lot of options such as a visit to nearby Downtown Franklin, or possibly a tour of a local distillery, winery, or even a Civil War home just to name a few.

**Board of Directors Meeting** – Officers and Board Members...Note: Don't forget to mark your calendars for the annual afternoon Board Meeting that must be attended by all Officers and Board Members. It is scheduled to begin sharply at 4:30 pm and will be completed by 6:30 pm.

**Evening Activities** - It's been a busy day, so this is a good evening to kick back and relax or visit one of the restaurants that is on your list to try.

### **Tuesday, September 13, 2022**

**General Jackson Showboat and The Country Music Hall of Fame** – Tuesday's activities will start a bit earlier as our deluxe motorcoach will depart the hotel at 9:00am and take everyone to the Country Music Hall of Fame Museum in Downtown Nashville. This is another "Must See" site when visiting Nashville. We will then be taken to the General Jackson Showboat where we will board and depart for a lunch cruise on the Cumberland River on this magnificent 300 foot long showboat. A seated lunch will be served, and a musical stage show will be shown while cruising. The price for this trip is \$150 per person and it includes admission to the Country Music Hall of Fame, the General Jackson cruise, show, and seated lunch and (of course) transportation to-and-fro. Everyone will be back to the hotel by 3:30 pm. That gets you back in time to freshen up and make it to the complimentary evening reception in the Atrium that starts at 5:00 pm.

**Evening Activities** – Nothing is planned, so this is another good evening to see the town or visit another one of the restaurants that you read or heard about.

### **Wednesday, September 14, 2022**

**Morning Activities** - As in past years, our annual meeting will be held this year on Wednesday and will begin with an invocation, an opening ceremony, and a presentation by the Color Guard at 8:30am. Arrangements still need to be made for our speakers, but we will, of course, invite Chief Jim Lee to attend and have him provide his annual update on what's happening within the organization. That will be followed by our annual business meeting and election of officers. Lunch will be on your own.

**Afternoon Activities** – The afternoon has been intentionally left open to allow everyone some time on the last day for any of the sights you wanted to see but missed earlier in the week. As noted above, there will be a list of suggested activities provided in your registration package.

**The Annual Banquet Dinner** – Opening with a cash bar reception, our annual dinner will be held in one of the ballrooms at the hotel. It will be a buffet-style dinner that is sure to please. Following dinner will be one last chance to visit the hospitality room and enjoy one last nightcap before retiring for the evening. Looking forward to seeing everyone in September.

Dan Pieschel, Event Chair

2022 AFSA-IRS ANNUAL CONVENTION REGISTRATION  
**Embassy Suites Nashville South/Cool Springs – September 11-14, 2022**  
 820 Crescent Centre Drive, Franklin, Tennessee 37067

**To make your hotel reservation:**

Online: get the link via e-mail from Dan Pieschel. (djpieschel@gmail.com)  
 or Call Embassy Suites Central Reservations -- 800-371-8318. Use the SRP Code of FSA.  
 or Call Bethany Blount at the Embassy Suites Nashville South/Cool Springs direct at 615-515-5183.

<b>AFSA Member:</b>		First:		Last:	
<b>Guest:</b>		First:		Last:	
(This will be the name that will be on your convention name badge.)					
Address:				Phone:	
City:		ST:		ZIP:	
E-Mail:			Arrival date:		Departure date:
<b>Registration</b>			<b>Fees (per person)</b>		<b>#</b>
AFSA Member Registration Fee			\$215		\$
Guest Registration Fee			\$215		\$
Hospitality Room Non-Alcoholic Drink Preference Discount			-\$10		\$
<b>Registration fees include:</b> Sunday Evening President's Meet & Greet; Made-to-order breakfast buffet and the hotel manager's happy hour every night; Opening Ceremony; Wednesday Evening Banquet Dinner; all Hospitality Room Sessions; and more.					
#	Attending Sun. Evening President's Meet & Greet (Included in Registration Fee)			#	Attending Wednesday Evening Banquet (Included in Registration Fee)
#	Attending Wed. AM Business Mtg.				
<b>Please indicate the activities you wish to participate in:</b> (See convention schedule for activity details)				<b>Fees</b> (per person)	<b>#</b>
Sat. Sept. 10 - Trip to the Grand Ole Opry (Includes dinner and transportation)				\$175	\$
Mon. Sept. 12 - AFSA Golf Outing (includes greens fees, cart and lunch)				\$60	\$
Player 1)			Handicap/Avg:		
Player 2)			Handicap/Avg:		
Mon. Sept. 12 - Tour of Music City (Includes transportation and admission to the Ryman Auditorium)				\$70	\$
Tue. Sept. 13 - General Jackson Showboat Lunch Cruise			(Includes transportation, lunch, show, and admission to the Country Music Hall of Fame)	\$150	\$
				\$	\$
<b>Make your check payable to AFSA</b>				<b>Total Amount Paid: \$</b>	

**E-mail registration form to gdupczak@att.net and mail your check to:**

Gerard Dupczak  
 1428 Charlevoix Way  
 Schererville, IN 46375

For general CONVENTION INFO, please visit  
[www.afsa-irs.org](http://www.afsa-irs.org)

## REGISTRATION DEADLINE IS August 5, 2022



### Executive Director Corner - SPRING 2022

Greetings and salutations to all. I have been delighted with the summer weather and getting out more often. I hope everyone is staying safe and enjoying the summer.

Thank you to Gerard for coordinating with CI to get our credentials updated!

**Counting the DAYS!!!  
September 10th – 14<sup>th</sup>**

Dan Pieschel and the Convention Planning team have been working hard to finalize the plans for our tours, golf and the convention. I am counting down! I have already booked my flight and reserved my car rental. I am so looking forward to the camaraderie, with old friends and meeting new friends. Additionally, I am anticipating the cooler, fantastic weather in Franklin, TN which during September, average high of 83 and low 58. {If you are planning on renting a car for the Convention, it is recommended you reserve it early.}

Again, this year the Scholarship Committee had a very tough task. The pool of applicants was outstanding. Thank you for your generous donations to the AFSA-IRS Memorial Scholarship fund and to William Schroeder, President of Madison Associates, Inc. for his very generous donation to the James F. Howe, Sr and Frank Fotinatos Scholarship Fund.

See you at the Grand Ole Opry House!

Have a great day.

Adieu

~ Mary~

### In Memoriam

**Thomas A. Wise**  
Pawleys Island, SC

**Jim Lane**  
Neptune, NJ

**Steven Gablesberg**  
Enid, OK

**Robert R. Fuesel**  
Palos Heights, IL



### Message from Chief Jim Lee

Hello CI family. The past few months have included some exciting and eventful changes for CI and I'm anxious to share them with you. But one thing has remained unchanged – the cutting-edge sophistication of our CI team and their unrelentless dedication to service and our country.

Deputy Chief Jim Robnett announced his retirement effective this July, after 36 years of service. He has been the Deputy Chief since September 2020, after serving as the DFO of the Southern Area, SAC of the New York Field Office and the Chicago Field Office, and a wealth of other leadership positions. Guy Ficco has been selected as the new Deputy Chief. Guy currently serves as the Director of Global Operations where he oversees our policies related to investigations, as well as our international footprint. This quarter we finally have some great news about Covid. June marked the return to office for many employees after more than two years of pandemic-related restrictions. It's been a challenging two years and I'm proud of the sacrifices our staff has made to overcome this once-in-a-lifetime situation. It will be good to see everyone in person as we start collaborating and sharing thoughts and ideas face to face.

Through all the Covid restrictions, our Special Agents and professional staff have continued to break significant cases, many with global implications, and several with high national visibility. The Atlanta FO had a high-profile result as reality TV stars Todd and Julie Chrisley were found guilty of bank fraud and tax evasion. The pair, known for their show "Chrisley Knows Best," were found guilty of conspiring to defraud community banks out of more than \$30 million of fraudulent loans, while also conspiring with their CPA to defraud the IRS.

Our Washington, DC Field Office and the Cyber Crimes Unit took down the largest darknet marketplace to date. Hydra Market, the world's largest and longest running darknet market was shut down and the site's Russian operator was indicted. In 2021, Hydra accounted for an estimated 80% of all darknet market-related cryptocurrency transactions, and since 2015, the marketplace has received approximately \$5.2 billion in cryptocurrency.

We continue to develop our global reach and this quarter had significant evidence of those outreach successes. In May, I spent a week in London with the Joint Chiefs of Global Tax Enforcement (the J5). The week began with the fourth iteration of the J5 Crypto Challenge, which focused on non-fungible tokens (NFTs) and decentralized exchanges. It yielded more than 50 leads touching all five of our J5 countries, including the identification of what appears to be a \$1 billion Ponzi scheme.

We then hosted a Global Financial Institution Summit and met with the heads of some of the biggest banks in the world. Finally, we held a public-private partnership day, spotlighting conversations and commitments focused on working together with many of our private sector partners.

Finally, let me close on a sad but important commemoration. In May, I presided over this year's Wall of Remembrance Ceremony where we added seven more names to the wall of CI employees who have passed away recently while serving our mission. With this memorial, we preserve and honor their memory and the sacrifices of the families who gave our great country these heroes.

I'd like to thank you for your continued support of CI and your lasting interest in the changes and improvements we are putting in place to keep IRS-CI at the forefront of criminal law enforcement. The relationship between AFSA and CI is a strong and essential one, and one that I personally treasure. We build the future on the efforts of those who have led before us. Many thanks for our years of friendship.

*"Honor the badge, Preserve the legacy, Master your craft, and Inspire the future"*

WASHINGTON — The Internal Revenue Service announced the selection of Guy Ficco as the next Deputy Chief for IRS Criminal Investigation (IRS-CI). He will oversee 20 field offices and 11 foreign posts, including approximately 2,000 special agents investigating tax fraud and other financial crimes.

"The Deputy Chief position demands someone with vast experience in tax law and financial crimes, but also a passionate leader who can further the development of CI's workforce", said Jim Lee, Chief of IRS Criminal Investigation. "After nearly three decades serving our agency in various roles, Guy's experience will prove invaluable as we continue uncovering financial crimes around the world."

Ficco currently serves as IRS-CI's Executive Director of Global Operations where he oversees CI's policies related to investigations, as well as the agency's international footprint. He provides executive leadership over CI's Financial Crimes, Asset Recovery and Investigative Services, Special Investigative Techniques, and Narcotics and National Security sections, as well as CI's International Field Operations.

Ficco will replace Jim Robnett, who will be retiring July 15 after 36 years of service at the IRS, 28 of which were with IRS-CI.

In previous IRS-CI positions, Ficco served as Special Agent in Charge, providing oversight and direction in matters relating to criminal investigation activities and programs for the Philadelphia Field Office. Additionally, during his tenure he held various leadership roles including Supervisory Special Agent in the Washington Field Office, Senior Analyst in both Financial Crimes and International Operations sections, Assistant Special Agent in Charge for the Washington Field Office, Director of Special Investigative Techniques, Washington DC, and long-term actor for Deputy Director, Strategy.

Ficco served as a Congressional Fellow through the Government Affairs Institute at Georgetown University, assigned to the Permanent Subcommittee on Investigations in the Senate Homeland Security Committee. He holds a bachelor's degree in business administration with a concentration in Accounting from Dominican College in New York. He is a Certified Fraud Examiner and joined IRS Criminal Investigation in 1995.

### **A MESSAGE FROM YOUR PRESIDENT**



To my Fellow Members:

I hope this newsletter finds you and your family well. We seem to be seeing a lowering of the Covid restrictions. Hopefully that means we will be able to enjoy simple pleasures like travel and gatherings without masks and "social distancing." Last year's convention in Napa Valley was a success despite the cloud of Covid; this year in Nashville looks to be a success as well. I hope to see many of you there.

If you are a long-time or even a medium-time member of AFSA, I thank you for supporting this organization. I want to welcome all our new members—your support helps keep us going. To everyone: Please consider recruiting a former colleague to join.

The retiree credential project began a few months ago, and judging by messages I received, many of you took the steps to get your creds updated. I received my replacement creds within two weeks, as did others



who got back to me with that information. Even if you are not considering to exercise your 2<sup>nd</sup> Amendment right under LEOSA, you might in the future. Submit your application if your creds don't contain the appropriate language.

This is the year that I turn 65. With that comes the all-important, all-consuming decisions about Medicare and Social Security. Every person has different factors to weigh. Financial plans started years ago are now coming to fruition. Will our plans work? I certainly hope so. But we have to remain vigilant to changes brought on by legislation. The Postal Reform Act of 2022, passed in March, 2022, contained a provision that can easily transcend to all future Federal retirees. The provision makes it mandatory for all future Postal retirees to participate in Medicare Part B. Retirees in TriCare have a similar provision. For the rest of us, we currently have the option of not participating in Part B. The cost today is \$170.10 (or higher, based on income) per month for each individual, on top of the monthly Federal Employee Health Benefits. It is easy to see a coming trend whereby all Federal retirees will have to participate in Part B, at a collective cost of over \$1000 per month for a retiree plus spouse. Changes like this can certainly damage your financial plans.

Keeping an eye on legislation, there is a bill pending in the Senate (S.1302 - Social Security Fairness Act) and in the House (H.R.82 - Social Security Fairness Act of 2021) that both address the elimination of the Windfall Elimination Provision (WEP). The WEP found its origins after the Carter Administration. It has penalized public servants who have paid into Social Security by working second or even third jobs. Congressman Raul Ruiz (Dem, CA) as recently as June 23, 2022 entered into the Congressional Record a call for the repeal of the WEP. The Senate bill has 40 co-sponsors; the House bill has 281. Perhaps it time for us to collectively contact our congressional representatives to demand an equitable return of our tax dollars by eliminating the WEP.

Lastly, please consider taking a Board position in the AFSA. The work is not demanding and the rewards are many. The AFSA is comprised of very intelligent and talented individuals. You can bring a lot to help the AFSA continue its mission.

Sincerely,  
Gerard Dupczak

## AFSA COLLEGE SCHOLARSHIPS

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### AFSA Announces 2022 Scholarship Awardees

The AFSA Scholarship Committee is pleased to announce its 2022 scholarships were awarded by the AFSA Board of Directors recently to the following applicants.

**James P. Howe Sr. and Frank Fotinatos Scholarship-** These scholarships are for \$3,000 and are for students seeking law enforcement careers and are administered by AFSA on behalf of its primary benefactor, William R. Schroeder, President of Madison Associates, Inc., in memory and honor of James F. Howe, Sr. and Frank Fotinatos, former IRS CI agents who worked for Madison. This year's recipients were:

Erick Harris, of Maryland and an undergraduate sponsored by his father Marvin Harris .

Nikolas Barnett of Tennessee, an undergraduate sponsored by his father, Phillip Barnett.

Morgan Robert Montemorra, a high school senior from Maryland, sponsored by his mother Kathryn Montemorra.

**The AFSA –IRS Memorial Scholarship** – in honor of Frank L. Smith and Tom Clancy is for \$2000 each and funded by AFSA members as well as a generous donation for the Ray Sherrard Family Trust, a member who passed away last November. This year's recipients were:

Mallory E. McGuire, an undergraduate from Iowa sponsored by her father, Jeffrey A. McGuire.

Miles Nantze, an undergraduate from Arkansas sponsored by his father Nathan Nantze.

Tia Ricchio, an undergraduate from Wisconsin sponsored by Juli Ricchio.

Karsyn Walker, a high school senior from Texas sponsored by her father Stephen Walker.

Katherine Wissel, an undergraduate from Missouri sponsored by Ken Wissell

Congratulations to these recipients, and to all distinguished applicants who applied. AFSA also thanks the members who contribute to this worthwhile program.

Mark Kroczyński

### **Scholarship Donors since the last Newsletter**

Teri Alexander  
Gilbert D. L. Elberson  
Gary M. Gilday  
Larry Halper  
Larry Hyatt  
Shawn Kaderabek  
Robert J. Kennealy  
Joe Lisnock  
John T. Maguire  
Wayne A. McEwan  
Dale C. Mitchum  
Wallace Musoff  
Ron Nimmer  
Daniel J. Pieschal (2)  
Cathy M. Prebe  
Jacque Riordon  
Mary L. Ruiz  
Robert L. Shields  
Paul A. Sullivan

Dennis E. Crawford  
John P. Funyak  
Marsha L. Griffith  
John R. Harrison  
Oscar Iglesias  
Mark P. Kaylor  
Glenn J. Kulas  
Dennis L. Lubbe  
Mary Francis Martin  
James T. McGuire  
Paul Miyahara  
Keith Nelson  
Sheila Ann Olander  
Robert P. Pledger  
George Regan  
Pat Roark  
Robert L. Schweitzer  
M. Robert Snead  
Fred A. Swick  
Charles F. (Chuck) Taylor

Richard J. Durant  
Michael A. Gallo  
Phil Hall  
Vonnie Hinesley  
Richard B. Johnson  
Edward Kalata  
Mark Lessler  
James T. Madden  
Charles O. Matthys  
Anne Marie Minogue  
Stephen Moore  
James P. Neilsen  
William Parrish  
Joseph J. Ponzio  
Donald R. Rehmer  
Alvan E. Romero  
Arthur A. Selby, Jr.  
David C. Solar  
Ron Whitsett

**DONATIONS:** Anyone may make donations to the AFSA-IRS for the Scholarship Fund.

Donor Name: \_\_\_\_\_

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

Send donations to:

George F. Meyer, Jr., AFSA Treasurer P.O. Box 2841, Ponte Vedra Beach, FL 32004

### New Members

Timothy Quinn	Amarillo, TX	<a href="mailto:timothy.quinn@me.com">timothy.quinn@me.com</a>
Oscar Iglesias	Oakland, CA	<a href="mailto:Oscar632@msn.com">Oscar632@msn.com</a>
Ellen Quigley	Myrtle Beach, SC	<a href="mailto:Burrowsellen@hotmail.com">Burrowsellen@hotmail.com</a>
Karen Flanagan	Wappingers Falls, NY	<a href="mailto:halfamoon1@gmail.com">halfamoon1@gmail.com</a>
Erik Kost	Valley City, OH	<a href="mailto:erik.kost@gmail.com">erik.kost@gmail.com</a>
Mary B. Thurston	Lebanon, OH	<a href="mailto:theosu97@outlook.com">theosu97@outlook.com</a>
Travis Thorson	Lubbock, TX	<a href="mailto:bpaintx@yahoo.com">bpaintx@yahoo.com</a>
Christine Morrison	Gross Point Woods, MI	<a href="mailto:cmmorrison@gmail.com">cmmorrison@gmail.com</a>
Richard C. Martin	Broomall, PA	<a href="mailto:rcmartin1205@gmail.com">rcmartin1205@gmail.com</a>
Howard S. Smith	Washington, DC	<a href="mailto:howard-s.smith@outlook.com">howard-s.smith@outlook.com</a>
Mark Paternostro	Aliso Viejo, CA	<a href="mailto:manthonyp7@gmail.com">manthonyp7@gmail.com</a>
Gary V. Traina	Robertsdale, AL	<a href="mailto:garytraina68@icloud.com">garytraina68@icloud.com</a>
Carlos R. Tropea	Rosemead, CA	<a href="mailto:crtropea@yahoo.com">crtropea@yahoo.com</a>
William "Brian" Le Fevre	Chesterfield, VA	<a href="mailto:wblefevre@icloud.com">wblefevre@icloud.com</a>

## Retiree Credential Replacement Project

Reprinted for the Spring Newsletter

### LEOSA in a nutshell

The Law Enforcement Officers Safety Act (LEOSA) became Federal law in 2004. It defined two classes of people—a “qualified Law Enforcement officer” and a “qualified retired or separated Law Enforcement officer” (QRLEO)--who are authorized to carry a concealed firearm in any jurisdiction in the United States or United States Territories, regardless of state or local laws. In 2013, Congress clarified the meaning of “retired” to “separation from service” to encompass LEOs who met time-on-duty requirements that would be excluded due to not being technically “retired”, such as separation due to disability.

The statute clearly empowers Agencies, not states, to issue LEOSA credentials. LEOSA credentials are not a “permit” but rather the ability to carry. “Permit” is issued only after a QRLEO meets the LEOSA stipulations in the Federal law. State issued permits provide for differing levels of state rights and authorities that were never intended to be included under LEOSA. LEOSA does not provide those type of state liability protections and only provides a limited concealed carry waiver by a QRLEO. **It is important to know the limitations of the federal LEOSA statute.** LEOSA grants limited concealed carry waivers across the 50 states and all U.S. territories, but state “permits” are bound by state lines and reciprocity agreements with other states.

### AFSA’s Credential Replacement Project

Prior to the enactment of LEOSA in 2004, retiree credentials were more ceremonial than practical. That has since changed as different states made their determinations regarding concealed-carry by QRLEOs, such as AFSA members. Requirements under 18 U.S.C. Sec. 926C include that a QRLEO must be “separated from service in good standing.”

At least through 2007 and a little later, the credentials looked like this:



A later version changed the card on the left while the card on the right remains mostly the same:



Note the inclusion of the language “...retired in good standing as a law enforcement officer” and has the date of retirement. Some states are demanding additional identification, but that is beyond the scope of this article.

AFSA has contacted IRS-CI about replacing the old versions with the newer, LEOSA compliant versions. Although still in the initial stages, it looks like replacements will be forthcoming. (Some credentials issued beginning in 2014 have the appropriate language on the reverse of the cards. Those cards will NOT be replaced.)

It is important to note that IRS-CI will likely NOT accept individual requests for replacements at this time. AFSA is coordinating with IRS-CI to facilitate the process as much as possible.

It is also important to note that you do not have to immediately exercise your rights to concealed carry at this time. You can do so at a future date, You CAN request replacement at this time, and follow through with the additional requirements for concealed carry later. That means if you:

- (a) never received retired credentials;
- (b) lost or misplaced your retired credentials;
- (c) have damaged your retired credentials; or
- (d) would like updated pictures, etc.,

this is the time to participate in the AFSA Retiree Credential Replacement Project.

What to do

Right now, just wait for further announcements. And remain a member of AFSA, of course.

It may be helpful to locate your final Form SF-50 (Notification of Personnel Action). That form documents your retirement from service. It is an important form for other purposes, so knowing where it's at can save you from problems later down the road.

**From the Editor. Does history repeat itself??**

I started my career with IRS in about 1972 after an 18 month stint with USDA-OIG. Not long after I started working for IRS-Inspection in the Washington Headquarters, a now famous break in at the Democratic Headquarters in the Watergate Towers was headline news. Questions were being raised as to whether or not former President Nixon was using the IRS to punish people on his "Enemy's List" and using the IRS as his so called "hatchet" man. IRS-Inspection was tasked with determining the verity of the allegations. Investigations were conducted all over the country with updates sent to our office in Washington. The FAX machines were working overtime and those of us involved in the "project" were working 16 hour days, six days a week to keep up with over 100 investigations. Intelligence Division had its own investigations going on at the same time to determine the extent of criminal investigations related to that same list.

Whether the allegations were true or not, the history books will make that determination, but let's fast forward to today. I came across an article in a publication called "the hill.com which refers to speculation in Washington that the IRS is being used to punish two "foes" of the Trump administration who were allegedly targeted by the IRS for an intensive audit after being fired from their positions. Former FBI Director James Comey and Deputy Director Andrew McCabe were allegedly audited following their dismissal as part of the "National Research Program". Thehill.com indicated that Commissioner Rettig was to testify last week before the House Ways and Means Committee and was expected to field questions on news of the Comey/McCabe audits. So again, IRS is moving to the front of the national arena in today's political scene.

I don't know the results of his testimony or if it even took place but according to the article, the Commissioner has stated that he has had no communication with former President Trump and that the research audits are statistically generated and has referred the matter to the Treasury Inspector General for Tax Administration (TIGTA). **Can history repeat itself?** Absolutely and it isn't confined to just one political party. Presidents Clinton and Obama's administrations were also investigated for similar activity.

Let's keep IRS out of the political spectrum. There is absolutely no reason for a civil servant to be fired for the doing the directed work for a political agenda. Enforce the laws as written.

If any of you have something that you think might be of interest to the membership, please let me know and I will be happy to publish them including other cases you may have worked on that are public record. I'd like to make the newsletter interesting to everyone.

# BSA:

## The history of casinos as FIs





Who should control casinos—the states or the federal government? This question spurred the congressional hearings when casinos became a popular avenue for laundering illicit funds. These hearings were held on February 10 and June 21, 1984<sup>1</sup> and were chaired by New Jersey Congressman William J. Hughes. Federal and state officials, including Nevada Congressman Harry Reid, as well as industry representatives from New Jersey and Nevada testified in these hearings. While all agreed that money laundering was occurring at casinos, they differed on the approach to address the issue.

In 1983, the U.S. Department of the Treasury began examining casinos' involvement in money laundering and considering whether casinos should be subject to the same federal regulations applied to financial institutions (FIs). In October 1983, New Jersey Governor Thomas Kean agreed to support the proposal made by John M. Walker, Jr., assistant secretary of the U.S. Department of the Treasury of Enforcement and Operations, to "designate casinos as financial institutions under the BSA [Bank Secrecy Act]," which would significantly impact New Jersey and Nevada if implemented.<sup>2</sup> As chair of the subcommittee on crime, Congressman Hughes, called for hearings to learn more about the issue.

Ultimately, the Final Rule imposed by the U.S. Department of the Treasury would classify casinos as FIs and—among other requirements, mandate currency transaction reports (CTRs) filings, record keeping and ID verification.<sup>3</sup> However, the road to the game-changing Final Rule proved to be challenging.

### Casinos—de facto banks?

In response to criminal organizations laundering illicit profits through banks, Congress enacted the BSA in 1970, mandating cash reporting through CTRs and record keeping.<sup>4</sup> As money laundering was not criminalized until 1986, BSA is often considered solely an anti-money laundering (AML) law intended to assist law enforcement (LE) in their efforts to investigate and prosecute a wide variety of criminal activity.<sup>5</sup>

The BSA had become an effective tool for LE in combating criminal activity of all kinds. However, in 1979, only 121,000 CTRs were filed—far below the anticipated amount. The Internal Revenue Service (IRS) and other federal agencies initiated aggressive investigations, including the "Cash Flow Project" that focused on bank officials evading CTR filings and laundering cash for narcotics traffickers.<sup>6</sup> These investigations effectively enforced compliance and increased CTR filings to over 530,000 in 1983.<sup>7</sup>

Concerned about LE's success, criminal organizations sought other methods to launder and conceal their profits. Where did they go? Casinos! It was the perfect marriage. While casinos were highly regulated from a gaming perspective, they did not have federal cash reporting responsibilities or record keeping requirements. Better yet, casinos offered financial services with anonymity, including deposit/credit accounts, check cashing, currency exchange, safe deposit boxes and electronic funds transfers (i.e., wires). Conversely, criminal organizations on certain occasions offered large sums of cash and paid casinos a percentage for laundering the illicit cash. Casinos were, effectively, a bank operating under the umbrella of a casino. Both organizations were profiting from the marriage, but at what cost?

### The use of casinos to launder illicit profits gets out of control

During the early 1980s, on average, \$31 million (approximately \$105 million today) was deposited in cash at Atlantic City casinos each month.<sup>8</sup> A cash analysis of deposits in June 1983 traced 55 of the 356 depositors' funds to extortion, narcotics trafficking, tax evasion and illegal gaming. Without reporting and record keeping responsibilities, casinos became unwitting accomplices of laundering illicit funds, but not in all cases.<sup>9</sup>

*The Wall Street Journal* reported<sup>10</sup> that the casino's management, at times, aided and abetted the criminal activity. In one case, the owner of the Royal Casino in Las Vegas assisted undercover agents (impersonating cocaine smugglers) to exchange almost \$400,000 to \$100 bills and wire the funds to an account in the Cayman Islands. Because BSA compliance did not apply to casinos, the defendants could not be charged with failing to report the cash transactions. Instead, they were charged with conspiracy to defraud the IRS. The casino owner also told the undercover agents that he "is handling cash for a lot of other people who are also hiding their money from the government." Richard C. Wassenaar, then IRS assistant commissioner for enforcement, said the IRS identified a "substantial increase in the use of casinos to launder money."<sup>11</sup> Furthermore, investigations by the U.S. Drug Enforcement Administration (DEA) revealed an alarming trend in criminals using casinos to launder drug money and information obtained from undercover operations indicated that certain management officials at casinos were receiving a 10% cut for laundering illicit funds.<sup>12</sup>

On February 10, 1984, the hearings were filled with examples of money laundering through casinos. Below is a sampling.

- A documented loan shark and associate of the "Bruno crime family" in Philadelphia, John Bongiovanni, Sr., deposited \$125,000 in cash at the Playboy casino between February and March 1982.

- Baltimore narcotics trafficker, Maurice King, deposited over \$50,000 and withdrew the funds as checks payable to his stockbroker that was subsequently used to purchase a grocery store used to launder drug proceeds. King distributed cocaine and controlled 40% to 60% of the heroin market in eastern Baltimore.
- A drug dealer from Washington D.C. made cash deposits of over \$1 million at two casinos in 1982, including one deposit of \$150,000. The individual gambled a small amount and withdrew the funds.
- Daniel J. Marino from Brooklyn, New York, a "soldier" in the "Gambino crime family," deposited \$50,000 in cash at Caesars Casino in 1983.
- International narcotics trafficker John R. Chabot deposited \$151,000 at the Playboy casino between May and November 1981.<sup>13</sup>

There was no shortage of cases and all witnesses agreed that something had to be done. The disagreement came as to what countermeasures should be taken.

### Federal versus state regulation

The U.S. Department of the Treasury's position<sup>14</sup> on the issue was well known. In advance of the hearings, U.S. Department of the Treasury representatives discussed the proposed rule changes to classify casinos as FIs with the gaming industry and legislatures. At the core of the divide was subjecting the casinos to federal jurisdiction.

State regulators and industry officials had grave concerns about opening the door to federal jurisdiction.<sup>15</sup> Thomas R. O'Brien, director of the New Jersey Division of Gaming Enforcement, testified vehemently that federal regulation was unnecessary. He believed that New Jersey and Nevada gaming officials could work cooperatively to address the issue effectively.<sup>16</sup> Congressman Reid's testimony also reflected this view stating, "suggested State regulations rather than Federal action can and do address mutual concerns of the gaming industry and the Treasury."<sup>17</sup> He further detailed a set of 11 rules that would deter criminals from laundering illicit cash through casinos. Most of these rules

dealt with the prohibition on the direct exchange of currency (small for large bills), checks and controls to prevent withdraws without gambling. Other controls would prevent issuing payments to unknown third parties.<sup>18</sup>

No one doubted the proposed rules by Congressman Reid would be effective, but they were based on a narrow view of the problem (i.e., cash transactions) and lacked one important aspect: It would not require the reporting of cash transactions above \$10,000. Congressman Reid and gaming industry witnesses believed that their proposed rules would reasonably prevent money laundering and consequently, CTRs were unnecessary.<sup>19</sup> One casino official also proposed a requirement to report unusual activity to the state discretionarily.<sup>20</sup> Their views appeared to be based on some overarching statements made by several witnesses—including government representatives—that money laundering was occurring by criminals without the knowledge or assistance of casinos.<sup>21</sup> Congressman Hughes made this clear in his statement on February 10, 1984.<sup>22</sup>

### The elephant in the room

Money laundering often involved casino personnel and, in some cases, management even aided and abetted. In addition, the DEA testified how casino employees charged fees to launder funds. However, even if these facts are dismissed, the "elephant" in the room remains. Criminals were depositing large amounts of cash at casinos, generally with minimal gambling or sometimes without gambling at all. Were casinos questioning the sources of these funds? Did they wonder why their customers would not prefer banks to move or deposit their cash?

The reason is traceable to the casinos' "do not ask, do not tell" approach to gaming. At the time, casinos were not required to and never asked customers for the source of their gambling funds. Moreover, they were not required to verify a customer's identity for deposits over \$10,000 in cash or file any reports of such transactions. LE questioned the identity of casinos' customers and the nature of their cash transactions. Unfortunately, without identification, record keeping and reporting requirements, casinos could simply look the other way. The gaming industry's proposed solution did not include CTRs and left much discretion to the casinos on reporting unusual activity. Casinos would not be required to file suspicious activity reports until 2003, to which they complied with great reluctance according to subsequent enforcement actions.<sup>23</sup>

### Treasury's strategic move

On June 21, 1984, the hearing started with comments by the chair, Congressman Hughes. Two of his comments were surprising. For one, he acknowledged that for the first time, there were instances of casino personnel involved in money laundering activities. A change from his prior comments. He now stated, "[t]here is no suggestion that the casino industry has in any way been involved in money laundering." He further commented that earlier in the morning, he was informed that John Walker would "unveil" the U.S. Department of the Treasury's proposed regulations.<sup>24</sup>

While the testimony at the hearing on February 10, 1984, included support from the LE community to classify casinos as FIs, Walker knew the hearing on June 21, 1984 would present a different view. This hearing would include gaming industry officials who opposed classifying casinos as FIs and sought to avoid additional federal involvement in their activities. Furthermore, Congressman Reid supported these officials, which he made clear in his testimony.<sup>25</sup>





In an apparent preemptive strike, Walker testified that the U.S. Department of the Treasury had considered the feedback from the gaming industry in drafting their proposed regulations. Moreover, he notified the subcommittee that he had already approved the proposed regulations for publication that would add casinos to the definition of "FIs" under the BSA.<sup>26</sup> The die had been cast. The hearing would not be about gathering testimony for use in drafting proposed regulations. At best, such testimony may be considered in issuing the final regulations but would have to be resubmitted to the U.S. Department of the Treasury.

### The Final Rule

After issuing the proposed regulations on August 17, 1984, the U.S. Department of the Treasury received many comments, particularly from the gaming industry. In summary, the comments generally opposed the CTR, identification and record keeping requirements. The gaming industry believed these enhancements, including the use of social security numbers, would frighten customers and consequently impact the casino industry adversely. While recognizing industry concerns, the U.S. Department of the Treasury also relied heavily on the Federal Bureau of Investigation's (FBI) comments that included many examples of money laundering through casinos. The FBI strongly endorsed issuing the Final Rule that "will provide the LE community with another tool which can be utilized in tracking the enormous proceeds generated by organized crime and drug traffickers."<sup>27</sup>

The Final Rule was issued February 6, 1985, and it became effective May 7, 1985, reflecting the U.S. Department of the Treasury's initiative to guard against money laundering by providing a framework to effectively detect, investigate and prosecute major criminal activities—a need outweighing industry concerns. Nonetheless, states received an "exemption" if they enacted rules that substantially met those of the Final Rule.<sup>28</sup> Only Nevada took advantage of the exemption, but to qualify, it had to require CTR filings and record keeping requirements.

In the end, the Final Rule was the first step toward bringing the casino industry under the umbrella of FIs, which would ultimately help the federal government in combating money laundering, terrorist financing and related crimes. **AT**

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<sup>1</sup> "Use of Casinos to Launder the Proceeds of Drug Trafficking and Organized Crime: Hearing before the Subcommittee on Crime of the Committee on the Judiciary House of Representatives," U.S. Government Printing Office, 1985.

<sup>2</sup> *Ibid.*, p. 103-105.

<sup>3</sup> "Federal Register: 50 Federal Regulation 5059 [February 6, 1985]," U.S. Department of the Treasury, page 5065.

<sup>4</sup> Public Law 91-508 §§ 121(a) and (b)

<sup>5</sup> *Ibid.*, p. 51-52.

<sup>6</sup> "IRS: Criminal Investigation Annual Report 2019," *Internal Revenue Service*, p. 9; and *Ibid.*, p. 29.

<sup>7</sup> *Ibid.*, p. 52.

<sup>8</sup> *Ibid.*, p. 49.

<sup>9</sup> *Ibid.*, p. 11.

<sup>10</sup> Robert E. Taylor, "Using Loophole in Treasury Rule, Casinos Said to Help Launder Illegal Drug Money," *The Wall Street Journal*, March 17, 1983.

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*, p. 39.

<sup>13</sup> See *supra* note 1 at pp. 16-18 and 32.

<sup>14</sup> The current BSA administrator, the Financial Crimes Enforcement Network, was not created until 1990. Previously, the U.S. Department of the Treasury's Assistant Secretary for Enforcement and Operations was the administrator of the BSA with rulemaking authority.

<sup>15</sup> *Ibid.*, p. 128.

<sup>16</sup> *Ibid.*, p. 19-21.

<sup>17</sup> *Ibid.*, p. 142.

<sup>18</sup> *Ibid.*, p. 143.

<sup>19</sup> *Ibid.*, p. 142-143.

<sup>20</sup> *Ibid.*, p. 154.

<sup>21</sup> *Ibid.*, p. 4, 62 and 114.

<sup>22</sup> *Ibid.*, p. 4.

<sup>23</sup> Jennifer Shasky Calvery, "Remarks of Jennifer Shasky Calvery, Director, Financial Crimes Enforcement Network," *Financial Crimes Enforcement Network, Global Gaming Expo, September 24, 2013, Las Vegas Sands Expo & Convention Center, Las Vegas, NV, Conference Presentation*.

<sup>24</sup> *Ibid.*, p. 111-112.

<sup>25</sup> *Ibid.*, p. 19-21.

<sup>26</sup> *Ibid.*, p. 115.

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

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