

Brian Carr and
Rueangrong Carr
1201 Brady Drive
Irving, TX 75061
carrbp@gmail.com
518-227-0129

Daniel.L.Werfel@irs.gov
heather.hill@tigta.treas.gov
criminal.division@usdoj.gov
AUSA Emily Owen <Emily.Owen@usdoj.gov>
<andrew.cannarsa@cigie.gov>

Internal Revenue Service Commissioner
Danny Werfel, Suite 3000,
1111 Constitution Avenue, NW
Washington, DC 20224
202-622-9511
Daniel.L.Werfel@irs.gov

Treasury Inspector General for Tax Administration
Heather Hill
Deputy IG for I&E
202-927-7084
heather.hill@tigta.treas.gov

Attorney General
Merrick B. Garland
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001
criminal.division@usdoj.gov

United States Attorney
 Northern District of Texas
 AUSA Emily Owen
 1100 Commerce Street, Third Floor
 Dallas, Texas 75242-1699
 AUSA Emily Owen <Emily.Owen@usdoj.gov>

Executive Director Andrew Cannarsa
 Council of the Inspectors General on Integrity and Efficiency
 1750 H Street, NW, Suite 400
 Washington, DC 20006
[<andrew.cannarsa@cigie.gov>](mailto:andrew.cannarsa@cigie.gov)

Table of Contents

| | |
|---|----|
| Table of Contents..... | 2 |
| The Parties..... | 4 |
| Time Line..... | 5 |
| Initial Notice, Penalty \$1,055.19 and Appeal..... | 5 |
| Final Notice and Seizure While Appeal Pending..... | 6 |
| Decision of 18 Nov 2024..... | 7 |
| Request to Reconsider Appeals Decision..... | 8 |
| Arguments..... | 9 |
| 30 Day Notice Before Seizure Required by Statute..... | 9 |
| Seizures must be blocked by Active Appeals..... | 11 |
| Specific Requests..... | 12 |
| TIGTA Asked to Report Crimes to DoJ..... | 12 |
| CIGIE Asked to Consult With TIGTA..... | 14 |
| DoJ Asked to Insure that IRS and TIGTA Revise Procedures..... | 14 |
| U.S. Attorney for Northern District of Texas (USATXN)..... | 15 |
| Conclusion..... | 16 |
| Verification of Request for Assistance..... | 16 |
| Table of References..... | 17 |

Dear Sir / Madam:

17. Dec. 2024

All copies are being sent via email to agency heads or contacts. The name and street addresses are included above for informational purposes only.

Introduction

In May 2024, my wife and I received a CP30 notice from the Internal Revenue Service (IRS) which stated that we owed \$1,055.19 in penalties for failing to pay estimated taxes. I promptly contacted the IRS and sent in the requested Form 843 (an abatement request) with supporting documentation.

There were delays in processing this appeal, but in late August 2024 the IRS notified me that our Form 843 was denied but that we could submit a Form 2210 with the breakdown of income received through the year. I completed and submitted the Form 2210 with another appeal request in early Sep 2024. The computed penalty of \$340.81 was paid before submission.

In early October 2024 my appeal was forwarded to 'Appeals' but on 11 Nov 2024 the IRS sent us a CP504 Final Notice that we must pay \$753.70 immediately or they would seize (or Levy) our property. Of course we paid the \$753.70 immediately as that was a comparatively paltry sum when compared to having our car, house, or joint business accounts seized.

However, this seizure was illegal as it violated our rights to due process before seizure of our property as our appeal was still pending. Further, the wording of the

CP504 violated statutory mandated 30 day notice, making the CP504 a falsified government record (and a crime under [18 USC Section 1001](#)).

We are seeking a refund of \$753.70 plus damages and costs. We are also seeking that the IRS collection and appeal process be corrected to prevent violations of constitutional rights (due process) and federal crimes such as falsifying government records.

We are asking for assistance from all recipients in correcting these deficiencies. Later specific requests for assistance will be made for specific recipients.

The Parties

We are Brian Carr and Rueangrong Carr, a married couple, and the taxpayers in this matter. I am Brian Carr, and to the degree legally permissible, I will represent my wife in these matters though we will jointly sign all documents. I am a graduate of West Point and have limited legal experience (initially with UCMJ). I am also an Officer of the United States, i.e. a U.S. Regular Army Captain with an honorable discharge. My wife is a U.S. Permanent Resident from Thailand. She has a pending application to become a U.S. citizen. I believe that I qualify as a reputable individual and will not be reimbursed for my time representing my wife.

Time Line

Initial Notice, Penalty \$1,055.19 and Appeal

On 6 May 2024 the IRS sent us a CP30 notice which I received on 9 May 2024 with charges of \$1,055.19 as a penalty for failing to pay estimated taxes (see

Irs20240506ntcCP30id270859.pdf). It should be noted that we had paid more than the minimum 90% in estimated taxes but that the estimated payments were made predominately in the second half of 2023 which was when the income was received.

I immediately contacted the IRS to find out how to correct the problem and on 10 May 2024 I mailed the requested Form 843 Abatement Request (see f843C.pdf) along with an explanation (see AbatementRqst.pdf) and documentation of the significant income sources. These documents were received by the IRS on 16 May 2024 (see f843Cdelivered.pdf).

Form 2210 Submitted With Payment of Computed Penalty, \$340.81

There were delays in processing my appeal and another notice was mailed to us on 01 July 2024 for \$1,068.18. On 19 Aug 2024 the IRS notified me of a delay in processing my Form 843. However, on 27 Aug 2024 the IRS notified me that my Abatement Request was denied but that I could file a Form 2210 with the breakdown of income received through the year (see Irs20240827ltr1042507903.pdf).

I sent the Form 2210 (see f2210C.pdf) along with a direct appeal (see AppealPenalty.pdf) on 7 Sep 2024 and it arrived with the IRS on 8 Sep 2024 (see

f2210delivered.pdf). The Form 2210 computed the appropriate penalty as 340.81 which was deposited electronically with the IRS on 3 Sep 2024.

On 23 Sep 2024 the IRS sent a notice which claimed that I owed 745.67 (recognizing the payment of \$340.81, but not the Form 2210).

On 10 Oct 2024 the Form 2210 and direct appeal were forwarded to the 'office that can best process your request'. See IrsFwd20241010.pdf.

Final Notice and Seizure While Appeal Pending

On 11 Nov 2024 the IRS sent us each via 'Signature Required' two otherwise identical CP504 Notices stating that we owed \$753.70 which was due immediately and that the IRS would commence to seize (or Levy) our property. Our appeal was still pending at that time and this notice violated IRS policy of permitting taxpayers to contest penalty payments and prevent seizure until the appeal was resolved. See Irsseize20241111.pdf

CP504 from IRS dated 11 Nov 2024 states:

As of November 11, 2024, we have not received your overdue tax after sending several notices to you. You must pay your balance immediately or we may levy (seize) your property. If you don't make your payment now, we'll consider your noncompliance an active choice and you could face a levy.

Amount Due Immediately: \$753.70.

Payment must be received immediately.

On the 13 Nov 2024 we signed for the notices and that evening, paid the disputed amount of 753.70 to the IRS. When I considered the disruption and damages which could result from the seizure of our car, house, or joint business accounts (a source of income), the comparatively paltry sum demanded by the IRS seemed a reasonable payment even though the demands by the IRS were completely illegal.

On 25 Nov 2024 I sold sufficient (81.28 shares) Vanguard Total Stock ETF shares (VTI) for \$298.07 each so that on 28 Nov 2024 we could make the planned payment of \$24,000 to the IRS for our 2024 taxes (though formally a IRA withdrawal of 24,242.42 with 99% withholding). The improperly mandated payment of \$753.70 required the early sale of 2.53 shares of VTI ETF / stock, our preferred investment at that time.

Decision of 18 Nov 2024

On 18 Nov 2024 we received the final findings of facts, decision, and order from IRS Appeals (see IrsAppealReturned2024-11-18.pdf) which states in part:

Appeals received your case on 10/09/2024. We are releasing jurisdiction and returning your case to the originating office because my initial review of your case file showed that the case submitted by the IRS to Appeals is incomplete.

I am writing to let you know that case file been submitted to the originating IRS office so that they may complete the information which Appeals requires. When they complete the information that is required, a notice will be sent to you to let you know that your case has been submitted again to Appeals.

This decision was woefully inadequate in that it did not clearly state that the IRS computed charges of \$1,055.19 on 6 May 2024 were not supported by the evidence before Appeals and that all IRS computed penalties are overturned (without prejudice) or remanded so that the IRS can compute new penalties as appropriate.

Request to Reconsider Appeals Decision

On 2 Dec 2024, I asked that IRS Appeals reconsider the decision of 18 Nov 2024 (see Reconsider.pdf) and provide the requested relief considering the circumstances. It was received on 6 Dec 2024 (see ReconsiderDelivered.pdf) but no reply has been received to date.

Arguments

30 Day Notice Before Seizure Required by Statute

Federal statutes requires 30 day notice before seizure of property. Internal Revenue Code Section 6331(d) is [26 USC section 6331](#) which states: ...

(d) Requirement of notice before levy

(1) In general

Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax only after the Secretary has notified such person in writing of his intention to make such levy.

(2) 30-day requirement

The notice required under paragraph (1) shall be ... or

(C) sent by certified or registered mail to such person's last known address, no less than 30 days before the day of the levy.

To summarize, before the IRS can seize property it must provide notice in writing (certified mail is acceptable) but the notice must be at least 30 days before the levy / seizure.

No such notice was provided.

The IRS provides a [sample CP504](#) (see cp504irsSample20241215.pdf) which states:

If you don't call us to make payment arrangements or we don't receive the amount due within 30 days from the date of this notice, we may levy your property or rights to property and apply it to the ...[amount] you owe.

This is in distinct contrast to the CP504 we received (See Irsseize20241111.pdf) which stated:

As of November 11, 2024, we have not received your overdue tax after sending several notices to you. You must pay your balance immediately or we may levy (seize) your property. If you don't make your payment now, we'll consider your noncompliance an active choice and you could face a levy.

Amount Due Immediately: \$753.70.

Payment must be received immediately. ...

The omission of this mandatory 30 day notice from the CP504 is, in fact, a federal crime of falsifying a government record.

18 USC Section 1001 states:

- (a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully -
 - (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
 - (2) makes any materially false, fictitious, or fraudulent statement or representation; or
 - (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title, imprisoned not more than 5 years or, ...

In this statute, the definition of falsification of government records is very broad including (2) any materially false representation or (1) covers up a material fact

(such as omitting the fact that the taxpayer has thirty days to appeal or make a payment before the IRS can seize property). Further, with (3) and any use of a false document, anyone authorizing or sending a defective CP504 is guilty of the crime.

Seizures must be blocked by Active Appeals

It is a violation of the fundamental constitutional right to due process to seize property while an appeal is active. Further, every agent of the federal government must preserve individual constitutional rights, it is part of the oath of office for officers, employees, and contractors.

It is clear that the IRS is seeking to maximize revenue collection through increased enforcement, an admirable goal. However, this seems to include assessing penalties which, while plausible, are likely overestimates of the amount due. Indeed once the facts are known, there might not be any penalty at all. However, if the IRS is aggressive in its computation of penalties, it should expect that there will be substantial appeals.

Under these circumstances, rather than letting appeals lag, it is incumbent on the IRS to provide sufficient resources to keep appeals and taxpayers records thereof up to date. It is unacceptable to illegally seize taxpayer property because of delays in processing appeals or annotating taxpayer records to note pending appeals.

If there is an active appeal recorded for the taxpayer, a modified CP504 must explain that no seizures will be made until at least thirty days after a decision is made in the appeal.

If there is a significant (perhaps more than one week) lag in recording submitted appeals, then no CP504s can be sent until the appeals records have been reflected in the taxpayer records.

The normal CP504 text must be adjusted to warn that recent appeals (perhaps in the last week) may not have been processed but that no seizure will commence until all outstanding appeals are processed. Further, the taxpayer must be given contact information where they can check on the status of their appeal.

Specific Requests

TIGTA Asked to Report Crimes to DoJ

The TIGTA has special responsibilities to enforce IRC crimes and expanded discretion in reporting such crimes to DoJ.

Specifically, [5a USC IG Act 1978 Section 8D](#) states:

- (k)
 - (1) In addition to the duties and responsibilities exercised by an inspector general of an establishment, the Treasury Inspector General for Tax Administration -
 - (A) shall have the duty to enforce criminal provisions under section 7608(b) of the Internal Revenue Code of 1986 [26 USC section 7608(b)]; ...
 - (2)

(A) In performing a law enforcement function under paragraph (1), the Treasury Inspector General for Tax Administration shall report any reasonable grounds to believe there has been a violation of Federal criminal law to the Attorney General at an appropriate time as determined by the Treasury Inspector General for Tax Administration, notwithstanding section 4(d).

However, the cited crimes of falsification of government records ([18 USC Section 1001](#)) is not one of the IRC crimes which TTIGTA has special discretion to enforce. As such, enforcement of [18 USC Section 1001](#) falls to DoJ and TIGTA has the standard IG requirement to report such crimes to DoJ.

Specifically, [5a USC IG Act 1978 Section 4](#) states:

- Duties and responsibilities; report of criminal violations to Attorney General
- (d) In carrying out the duties and responsibilities established under this Act, each Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

As such, TIGTA and the OIG are required to report these federal crimes to DoJ.

The crimes of falsifying government records appears to be systemic within the IRS (and many other agencies it seems) such that prosecution is not realistic. However, TIGTA is asked to work with the IRS and DoJ to revise procedures to prevent

future criminal behavior as well as violations of taxpayers constitutional rights to due process within the IRS.

To comply with requirement to report federal crimes to the DoJ, all that TIGTA needs to do (as a minimum) is to forward this email to:
criminal.division@usdoj.gov

TIGTA is also asked to provide a reference number for this matter so that other parties can check on the status of these requests.

CIGIE Asked to Consult With TIGTA

CIGIE is asked to consult with TIGTA and insure that federal crimes are reported to the DoJ as required by statute. CIGIE could also assist TIGTA in working with the IRS and DoJ to make sure that the appropriate corrections are made.

DoJ Asked to Insure that IRS and TIGTA Revise Procedures

For federal crimes such as 18 USC Section 1001, DoJ has the sole responsibility to enforce the law. Prosecution is at the sole discretion of DoJ but does not appear realistic in this case. DoJ is asked to monitor these crimes and work with TIGTA OIG and the IRS to insure that such crimes are not common in the future. In that regard, the threat of prosecution could be a useful tool (a sort of cudgel) to gain assistance in putting the required reforms into place.

The DoJ is also asked to provide a reference number for these matters so that other parties can check on the status of this request.

U.S. Attorney for Northern District of Texas (USATXN)

This email is not being sent to the general email address of USATXN.USAO@usdoj.gov as I have found that email address is not responsive to unsolicited requests. Instead this email is being sent to AUSA Owen a civil litigator in that office. AUSA Owen has experience with civil litigation concerning due process and falsified records in a similar civil suit.

It is my belief that it will be much easier and simpler for the requested reforms of IRS procedures to be made in a settlement prior to litigation and it is possible that AUSA Owen will concur. In that regard, AUSA Owen could assist the other parties in agreeing to a settlement thereby avoiding litigation. It is also quite possible that AUSA Owen would end up representing the federal government were civil litigation to be necessary (and she appears to already have a more than adequate case load at this time).

Conclusion

All parties are asked to assist in providing a prompt and just resolution to the issues raised. Of central concern is adapting IRS collection procedures to guarantee due process (with no seizure of properties while appeals are pending) and proper notice that taxpayers have at least 30 days notice before the IRS can normally commence seizure of property.

With respect,

Verification of Request for Assistance

We the undersigned taxpayers hereby affirm under penalty of perjury in both the United States and Thailand that as individuals:

1. I have reviewed the allegations and believe all of the allegations to be true to the best of my knowledge.
2. I have reviewed the associated documents and exhibits and believe them to be true and accurate copies with the exception of the documents identified as being redacted. The redacted documents have only been altered to remove sensitive personal information according to normal redaction procedures.

We hereby reaffirm that the above is true to the best of our knowledge under penalty of perjury in both the United States and Thailand.

Brian P. Carr

Air Carr

Brian P. Carr
1201 Brady Dr
Irving, TX 75061
Date: 17. Dec. 2024
Location: Chiang Rai, Thailand

Rueangrong Carr
1201 Brady Dr
Irving, TX 75061
Date: 17. Dec. 2024
Location: Chiang Rai, Thailand

Table of References

| | |
|------------------------------------|--------------|
| 18 USC Section 1001..... | 3, 10, 13 f. |
| 26 USC section 6331..... | 8 |
| 26 USC section 7608(b)..... | 12 |
| 5a USC IG Act 1978 Section 4..... | 12 f. |
| 5a USC IG Act 1978 Section 8D..... | 12 |
| AbatementRqst.pdf..... | 5 |
| CP504 Final Notice..... | 3, 6, 9 ff. |
| f2210C.pdf..... | 5 |
| f2210delivered.pdf..... | 5 |

| | |
|--|---------|
| f843C.pdf..... | 5 |
| f843Cdelivered.pdf..... | 5 |
| Form 2210..... | 3, 5 f. |
| Form 843..... | 3, 5 |
| Internal Revenue Code Section 6331..... | 8 |
| Internal Revenue Code section 7608(b)..... | 12 |
| Irs20240506ntcCP30id270859.pdf..... | 4 |
| Irs20240827ltr1042507903.pdf..... | 5 |
| IrsAppealReturned2024-11-18.pdf..... | 7 |
| IrsFwd20241010.pdf..... | 6 |
| IrsSeize20241111.pdf..... | 6, 9 |
| Reconsider.pdf..... | 8 |
| ReconsiderDelivered.pdf..... | 8 |