

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

ANTHONY EDWIN HURLEY,
Plaintiff

vs.

ALBERTO MEDINA LOPEZ,
Defendant

Case No.: 1-23-cv-02994-MJM

\$3,500,000.00
PERSONAL PROPERTY
370 / OTHER FRAUD
28 U.S.C. § 1332 DIVERSITY-FRAUD
26 U.S.C. 7434 (WRONGLY STATED AS 3474)

MOTION SUBMITTING MISSING EVIDENCE-EXHIBIT

Pursuant the Federal Rules of Civil Procedure, the Defendant **Alberto Medina Lopez**, appearing *pro se*, to submit missing **EXHIBIT Q** (wrongly identified as **EXHIBIT R**), now added to the original *List of Attached Exhibits*, regarding the Defendant's *Motion for Summary Judgment with Prejudice and \$100 Billion in Tort, Punitive and Compensatory Damages*, already filed on January 5th, 2024 [Docket #8].

DATED this 12th day of January 2024

Respectfully submitted by:



Alberto Medina López, Defendant, *Pro Se*

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Certification and Conclusion

Under all Federal Rules of Civil Procedure, by signing below, I certify under penalty of perjury to the best of my knowledge, information, and belief that this motion: (1) is not being presented for an improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation; (2) is supported by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law; (3) the factual contentions have evidentiary support or, if specifically so identified, will likely have evidentiary support after a reasonable opportunity for further investigation or discovery; and (4) the answer otherwise complies with the requirements of Rule 11.

I agree to provide the Clerk's Office with any changes to my address where case-related papers may be served. I understand that my failure to keep the current address on file with the Clerk's Office may result in the dismissal of my case.

Date of Signing: Thursday, January 12th, 2024

Alberto Medina Lopez
Defendant



PO Box 6596 Woodbridge, VA 22195
Phone 571-288-7383 / Email: alberto_medina@yahoo.com

I certify that I will send copies of this judicial document to the Plaintiff, the U.S. Department of Defense (Office of Inspector General), U.S. Department of Justice (USDOJ), the Federal Bureau of Investigation (FBI) and the Criminal Division of the Internal Revenue Services (IRS) via regular postal mail and/or email.

\$3,500,000.00 PERSONAL PROPERTY 370 / OTHER FRAUD 28 U.S.C. § 1332 DIVERSITY-FRAUD 26 U.S.C. 7434 (WRONGLY STATED AS 3474) - 2

AMMENDED LIST OF ATTACHED EXHIBITS

Defendant's Motion for Summary Judgment with Prejudice and \$100 Billion in Tort, Punitive and Compensatory Damages, already filed on January 5th, 2024 [Docket #8].

Original

Exhibit A / 60 F. 3d 822; 54 F. 3d 773; 91 F. 3d 130 / Anthony Edwin Hurley vs. Lloyd L. Waters, Warden; AG of the State of Maryland / and, PACER Docket Reports.

Exhibit B / U.S. Bankruptcy Court District of Maryland (Greenbelt), petition number 02-20112 / PACER Docket Report.

Exhibit C / Plaintiff's classified ad from Washington Post newspaper (Section PQ 3).

Exhibit D / Venture Capital Real Estate Collateral Agreement, signed by both parties on December 30th, 2002; and non-exclusive Real Estate Brokerage Contract signed on February 23rd, 2003.

Exhibit E / 2003 MAI Appraisal, pages numbers 1 to 6, 10 to 11, 30 to 33 and 44.

Exhibit F / Meecorp's Final Revised Letter of Interest / Term Sheet, signed on May 23rd, 2003.

Exhibit G / 2011 Title Abstract provided by the company Luis Reyes Vazquez & Associates, located then at Condominio El Centro II Office 254 San Juan PR 00918 Tel (787) 753-1011 Fax (787) 758-4445 & (787) 274-1519 Email lrvttitle@prtc.net.

Exhibit H / One World Investments Management Corporation [Number IBC 12674-2005]'s Certificate of Incorporation from August 25th, 2005.

Exhibit I / International Investments [Holdings], LTD [Number IBC 12672-2005]'s Certificate of Incorporation from August 25th, 2005.

Exhibit J / International Investments [Holdings], LTD [Number IBC 12672-2005]'s Deed from September 23rd, 2005, before Baltimore County Maryland's Public Notary Ann Michele Jenkins.

Exhibit K / Diversified Investments [Holdings], LTD [Number IBC 12673-2005]'s Deed from September 23rd, 2005, before Baltimore County Maryland's Public Notary Ann Michele Jenkins.

Exhibit L / Exclusive brokerage services contract from the company GMAC Real Estate International Properties in New York, from November 13th, 2006.

Exhibit M / 2007 MAI Appraisal, pages numbers 1 to 6, and 14 to 23.

Exhibit N / Plaintiff's Securities Fraud Order of Cease and Desist, Administrative Order SB-09-01 from the Government of the District of Columbia from May 7th, 2009.

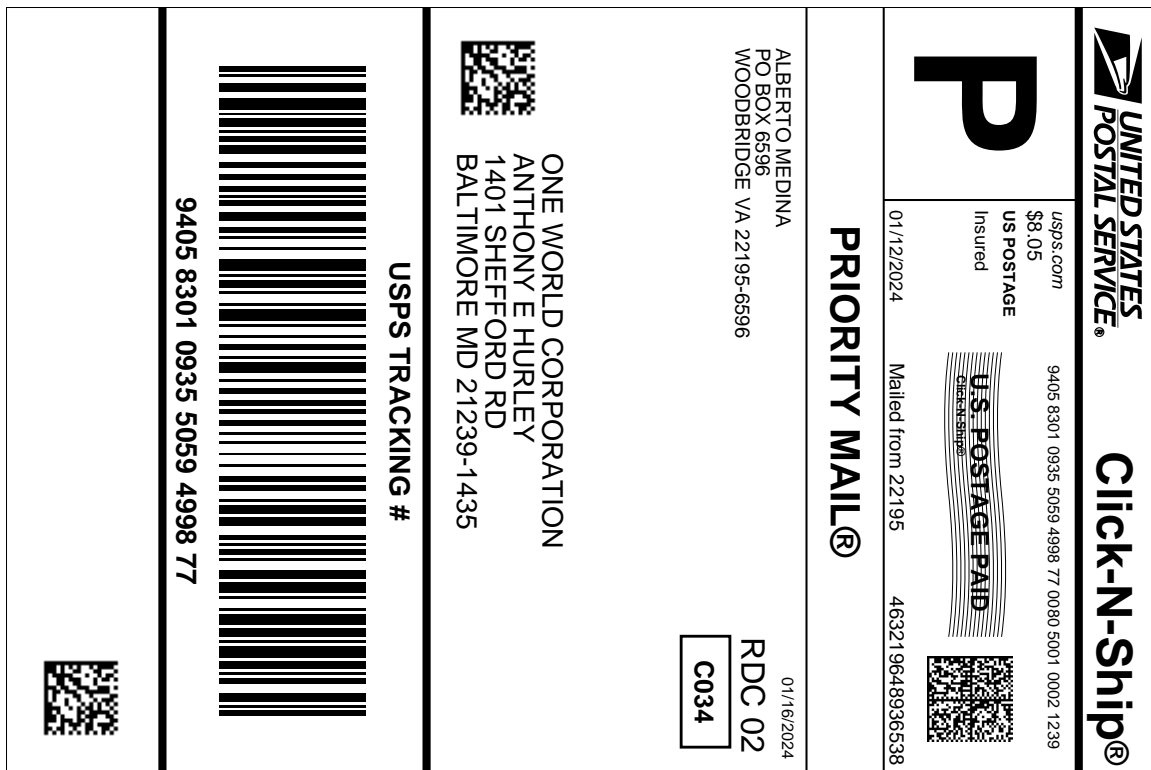
Exhibit O / American Bar Association training material, from September 13th, 2009.

Exhibit P / Puerto Rico's Court Civil Case number CA2020CV01800 from August 27th, 2020.

Added

Exhibit Q (before R) / Puerto Rico's Real Estate Comparable Market; and IRS Multimillion Back Taxes Collection Enforcement Recent Actions

\$3,500,000.00 PERSONAL PROPERTY 370 / OTHER FRAUD 28 U.S.C. § 1332 DIVERSITY-FRAUD 26 U.S.C. 7434 (WRONGLY STATED AS 3474) - 3



Cut on dotted line.

 **UNITED STATES POSTAL SERVICE®** Thank you for shipping with the United States Postal Service!
Check the status of your shipment on the USPS Tracking® page at usps.com

1
2
3
4
5
6
7 **Exhibit Q (before R) / Puerto Rico's Real Estate**
8 **Comparable Market; and IRS Multimillion Back**
9 **Taxes Collection Enforcement Recent Actions**
10
11

12
13
14 *Comparable Market* available online too at:

15
16
17 **<https://protonicsmail.com/hurley-vs-lopez-federal-litigation.html>**

18 **<https://protonicsmail.com/owc-litigation.html>**

19
20 **clicking COMPARABLES button**
21
22
23
24
25
26
27

Acres 	SqM 	SqF 	Price 	Price/SqM 	Price/Acre 	Broker 
0.991	4,010.4	43,168.0	\$7,900,000.00	\$1,969.86	\$7,971,745.7	Christie's
0.989	4,002.3	43,080.8	\$7,900,000.00	\$1,973.85	\$7,987,866.5	Paz Realty
0.142814509	577.9	6,221.0	\$6,250,000.00	\$10,814.09	\$43,763,060.6	Sotheby's
0.486	1,966.8	21,170.2	\$5,500,000.00	\$2,796.46	\$11,316,872.4	Ivette Morales
0.006671947	27.0	290.6	\$4,500,000.00	\$166,664.15	\$674,465,815.6	Luis Adhel
0.031772268	128.6	1,384.0	\$3,900,000.00	\$30,331.83	\$122,748,554.9	Corcoran
0.130004591	526.1	5,663.0	\$820,000.00	\$1,558.61	\$6,307,469.5	Corcoran
0.357	1,444.7	15,550.9	\$2,850,000.00	\$1,972.69	\$7,983,193.3	Corcoran
0.35	1,416.4	15,246.0	\$2,475,000.00	\$1,747.39	\$7,071,428.6	Sotheby's
				Average	\$98,846,223.0	
				Prop57 Value	\$81,646,980,217.8	
				Median	\$49,423,111.5	\$40,823,490,108.9

	A	B	C	D	E	F	G	H	I	J	K	L
1	1 Acre=43,560SqF											
2	1Acre=4,046.856SqM											
3	Link / Properties <1,000sf											https://www.zillow.com/pr/?searchQueryState=%7B%22pagination%22%3A%7D%2C%22isMapVisible%22%3Atrue%2C%22mapBounds%22%3A%7B%22city%22%3A%22San+Juan%22%2C%22country%22%3A%22PR%22%2C%22loftSize%22%3A%22%22%2C%22maxResults%22%3A%2210%22%2C%22numPhotos%22%3A%22%22%2C%22openHouseUrl%22%3A%22%22%2C%22pageNo%22%3A%221%22%2C%22propertyType%22%3A%22%22%2C%22searchRadius%22%3A%22%22%2C%22sortBy%22%3A%22%22%2C%22text%22%3A%22%22%2C%22transaction%22%3A%22%22%2C%22view%22%3A%22all%22%2C%22withPublicRemarks%22%3A%22false%22%7D%26%2F%3Fzpid%3D989699299
4	Link / Properties 0.5"-2 Acres											https://www.zillow.com/pr/?searchQueryState=%7B%22pagination%22%3A%7D%2C%22isMapVisible%22%3Atrue%2C%22mapBounds%22%3A%7B%22city%22%3A%22San+Juan%22%2C%22country%22%3A%22PR%22%2C%22loftSize%22%3A%22%22%2C%22maxResults%22%3A%2210%22%2C%22numPhotos%22%3A%22%22%2C%22openHouseUrl%22%3A%22%22%2C%22pageNo%22%3A%221%22%2C%22propertyType%22%3A%22%22%2C%22searchRadius%22%3A%22%22%2C%22sortBy%22%3A%22%22%2C%22text%22%3A%22%22%2C%22transaction%22%3A%22%22%2C%22view%22%3A%22all%22%2C%22withPublicRemarks%22%3A%22false%22%7D%26%2F%3Fzpid%3D989699299
5												
6												
7	Address	Comp	Acres	SqM	SqF	Price	Price/SqM	Price/Acre	Broker	Tel	MLS#	Link
8	8 Villa Este, Dorado, PR 00646	1	0.991	4,010.4	43,168.0	\$7,900,000.00	\$1,969.86	\$7,971,745.7	Christie's	787-400-0699	PR9101026	https://www.zillow.com/homedetails/8-Villa-Este-Dorado-PR-00646/2056398350_zpid/
9	8 Villa Dorado Ests, Dorado, PR 00646	2	0.989	4,002.3	43,080.8	\$7,900,000.00	\$1,973.85	\$7,987,866.5	Paz Realty	305-903-3655	PR0994605	https://www.zillow.com/homedetails/8-Villa-Dorado-Ests-Dorado-PR-00646/2067092759_zpid/
10	1430 Wilson, San Juan, PR 00907	3	0.142814509	577.9	6,221.0	\$6,250,000.00	\$10,814.09	\$43,763,060.6	Sotheby's	787-523-6500	PR9096102	https://www.zillow.com/homedetails/1430-Wilson-San-Juan-PR-00907/2062912930_zpid/
11	Solares 7 Carr #113, Isabela, PR 00662	4	0.486	1,966.8	21,170.2	\$5,500,000.00	\$2,796.46	\$11,316,872.4	Ivette Morales	NA	50844	https://www.zillow.com/homedetails/Solares-7-Carr-113-Isabela-PR-00662/2056533700_zpid/
12	Km 100 Road Pr #2, Quebradillas, PR 00678	5	0.006671947	27.0	290.6	\$4,500,000.00	\$166,664.15	\$674,465,815.6	Luis Adhel	NA	49224	https://www.zillow.com/homedetails/Km-100-Road-Pr-2-Quebradillas-PR-00678/2058517848_zpid/
13	Doncella N Doncella P1 Punta Las Marias Lot P1, San Juan, PR 00913	6	0.031772268	128.6	1,384.0	\$3,900,000.00	\$30,331.83	\$122,748,554.9	Corcoran	(939) 478-6028	PR9101011	https://www.realtor.com/realestateandhomes-detail/Doncella-P1_San_Juan_PR_M93820-15767?from=srp-list-card
14	Emajagua Emajagua P2 Punta Las Marias #P2, San Juan, PR 00913	7	0.130004991	526.1	5,663.0	\$820,000.00	\$1,558.61	\$6,307,469.5	Corcoran	(939) 478-6029	PR9100962	https://www.zillow.com/homedetails/Emajagua-Emajagua-P2-Punta-Las-Marias-P2-San-Juan-PR-00913/2056489695_zpid/
15	6 Plantation, Dorado, PR 00646	8	0.357	1,444.7	15,550.9	\$2,850,000.00	\$1,972.69	\$7,983,193.3	Corcoran	(939) 478-6030	PR9099299	

[Back to search](#)



Saved

Share

Hide



\$7,200,000

8 Villa Dorado Ests, Dorado, PR 00646

--

beds

0

baths

1

Acres



Unimproved Land



Built in ----



-- sqft lot



\$-- Zestimate®



\$--/sqft



\$50/mo HOA

What's special

Villa Dorado Estates Lot # 8 in Dorado, Puerto Rico. Lot 4,001 square meters, North facing home looking to the ocean. The entrance is through the Ritz Carlton Reserve hotel. followed by a second security gate at the Dorado Estates entrance. Municipality of Dorado Ordinance #17 states that all resales over \$1M, are subject to a new 1% municipal tax.

757 days on Zillow | **143** views | **1** saves

Zillow last checked: 3 hours ago

Listing updated: 12 hours ago

Listing Provided by: Francisco Paz 305-903-3655, PAZ REALTY, LLC 305-903-3655

Source: Stellar MLS / MFRMLS, MLS#: PR9094605



IDX information is provided exclusively for personal, non-commercial use, and may not be used for any purpose other than to identify
https://www.zillow.com/homedetails/8-Villa-Dorado-Ests-Dorado-PR-00646/2067092759_zpid/

[Back to search](#)



[Save](#)

[Share](#)

[Hide](#)



[See all 14 photos](#)

\$6,250,000

1430 Wilson, San Juan, PR 00907

--
beds

0
baths

6,221
Square Feet

Unimproved Land

Built in ----

-- sqft lot

\$-- Zestimate®

\$--/sqft

\$-- HOA

What's special

IMPRESSIVE FRONT FACING APPEAL

RICH HISTORY

CULTURAL HUBS

VIBRANT COBE DISTRICT

MAGNIFICENT CULINARY SCENE

A legacy property with a rich history and impressive front facing appeal, 1430 Wilson Street is located just 2 blocks south from Ashford Avenue and Condado Beach's town center. Combined, this property represents 2 continuous homesites measuring approximately 578 sq.m off flat land, offering the owner easy to build, re-imagine or re-invigorate with a historic tribute to mid century colonial architecture. A corner site, with entry from and sitting on the

[Show more](#)

581 days on Zillow | 98 views | 2 saves

Zillow last checked: 3 hours ago

Listing updated: May 19, 2023 at 02:32pm

[Back to search](#)[See all 9 photos](#)**\$4,500,000**

Km 100 Road Pr #2, Quebradillas, PR 00678

--

beds

--

baths

290.63

Square Feet



Unimproved Land



Built in ----



-- sqft lot



\$-- Zestimate®



\$--/sqft



\$-- HOA

What's special

COMMERCIAL INDUSTRIAL ZONING

Almost flat topography. Wide area facing towards the main Highway #2. It has another access on the left side in a secondary street. The property has Commercial Industrial zoning in front of the main road..

263 days on Zillow | **42** views | **1** saves

Zillow last checked: 3 hours ago

Listing updated: May 01, 2023 at 10:23am

Listed by: [Luis Adhel Rivera-Padilla](#) Luis Adhel Rivera Real Estate

Source: Xposure MLS Puerto Rico, MLS#: 49224

By Myrna Ruiz Olmo with CORCORAN PUERTO RICO



[See how much home you can afford](#)

● For sale

\$3,900,000

Est. \$27,138/mo [🔗](#)

1,384 sqft lot

Doncella N Doncella P1 Punta Las Marias Lot P1, San Juan, PR 00913

[View on Map](#) [📍](#)

🚗 Commute time: [Add a commute](#)

🏠 Land

Property type

📅 186 days

Time on Realtor.com

Ask a question

Share this home

Veterans United

[Veterans: 2024 Homebuying Benefits \(Get a Quote\)](#)

- 📅

Open houses

▼
- 🏠

Property details

▼
- 📅

Monthly payment

▼
- 💰

Connect with a lender

▼
- 👤

Veterans & military benefits

▼
- Sponsored by 
- 🏠

Property history

▼
- 📍

Neighborhood

▼
- 🌱

Environmental risk

Flood

▼
- 🎓

Schools

▼
- 📊

RealEstimateSM

▼
- 💰

Nearby home values

▼

[Back to search](#)



[Save](#)

[Share](#)

[Hide](#)



[See all 17 photos](#)

\$2,875,000

6 Plantation, Dorado, PR 00646

--

beds

0

baths

0.36

Acres

Unimproved Land

Built in ----

-- sqft lot

\$-- Zestimate®

\$--/sqft

\$-- HOA

What's special

NEW DORADO PLANTATION COMMUNITY

Unveiling an unparalleled opportunity within the newly revitalized gates of Dorado Plantation. A stones throw to the beaches of The Cottages and with direct gated golf cart access to oceanfront, this shovel ready 1,442 sq. m., expanse of level terrain affords the creative owner to build their dream estate mansion. Very few opportunities exist around Dorado for new construction, and this rare to find opportunity offers immediate access to the beach, within the

[Show more](#)


31 days on Zillow | **29** views | **3** saves

Zillow last checked: 3 hours ago

Listing updated: January 04, 2024 at 12:02pm

Listing Provided by:

✕





Realtor.com® Real Estate...

★★★★★ 314,000+

Open app


☰

realtor.com






< Back


San Juan, PR

✕ 

By Monica Alvarez Sastre with Puerto Rico Sothe-by's Int. Re



 Virtual tour

 1/11

See how much home you can afford

● For sale


\$2,475,000


0.35 acre lot

1206-1208 Luchetti and 2 Almendares St, San Juan, PR 00907


Est. \$15,446/mo

View on Map

 Commute time: [Add a commute](#)

 Land


Property type

 221 days

Time on Realtor.com

Ask a question

Share this home

 Veterans United. [Veterans: Shop with Benefits \(Check VA Eligibility\).](#)

Open houses

Property details

Monthly payment

Connect with a lender

Veterans & military benefits

Property history


Neighborhood


Environmental risk


Schools


RealEstimateSM


Nearby home values





























https://www.realtor.com/realestateandhomes-detail/1206-1208-Luchetti_San-Juan_PR_M95522-46795?from=srp-list-card

1/4

[Back to search](#)

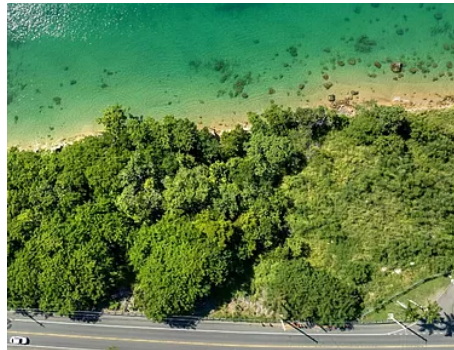
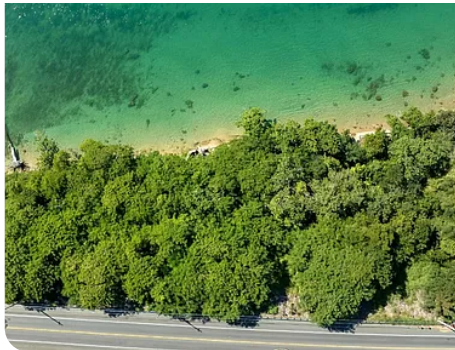
Save



Share



Hide



See all 8 photos

\$7,500,000

0 Carr Dm #115, Anasco, PR 00610

--
beds--
baths**260.84**
Square Feet

Unimproved Land

Built in ----

-- sqft lot

\$-- Zestimate®

\$--/sqft

\$-- HOA

What's special

GOLDEN SANDS

PROP ID: V6454 Discover a truly breathtaking opportunity to own a piece of paradise!! An enchanting haven, situated on the Highway 115 in the picturesque Barrio Caguabo, Añasco, just a stone's throw away from Rincon! This isn't just any parcel of land; it's an exclusive invitation to turn your dreams into reality. Spanning a sprawling 24,233 square meters of land (5.98 acres), this canvas is yours to transform into your personal oasis. Imagine waking up to the tranquil beauty of the beach, where pristine waters

[Show more](#)**39 days** on Zillow | **82** views | **1** saves

Zillow last checked: 3 hours ago

Listing updated: December 04, 2023 at 09:10am

Listed by: [Jennifer Lopez](#) Tropical Coast Properties

Source: Xposure MLS Puerto Rico, MLS#: 52974



Get pre-qualified for a loan

Talking to a lender early to get pre-qualified for a mortgage can give you an advantage in a competitive market.

[Start now](#)

 3D TOUR

 FLOORPLAN

 32 PHOTOS 32

1 Dorado Beach Estates

Dorado, 00646 Puerto Rico

PRICE

\$22,000,000

BEDROOMS

4

BATHROOMS

5 Full
1 Partial

INTERIOR

13,000 Sq Ft.

EXTERIOR

0.88 Acre(s)

★ SAVE

 SHARE


 PRINT



Oriana Juvelier

SEND MESSAGE →

Join / Log In

 Preferences





IRS ramps up new initiatives using Inflation Reduction Act funding to ensure complex partnerships, large corporations pay taxes owed, continues to close millionaire tax debt cases

More than \$482 million recovered from 1,600 millionaires who have not paid tax debts

IR-2024-09, Jan. 12, 2024

WASHINGTON — The Internal Revenue Service announced today continued progress to expand enforcement efforts related to high-income individuals, large corporations and complex partnerships as part of wider efforts to transform the agency.

IRS Commissioner Danny Werfel noted Inflation Reduction Act resources continue to help in a variety of areas. In addition to earlier announcements focusing on further improving taxpayer service during the upcoming 2024 filing season, the IRS has focused IRA resources on strengthening enforcement to pursue complex partnerships, large corporations and high-income, high-wealth individuals who do not pay overdue tax bills.

The IRS shared today progress in its focus on people using partnerships to avoid paying self-employment taxes as well as new details on current enforcement priorities. The IRS is also continuing to pursue millionaires that have not paid hundreds of millions of dollars in tax debt, with an additional \$360 million collected on top of the \$122 million reported in late October. The IRS has now collected \$482 million in ongoing efforts to recoup taxes owed by 1,600 millionaires with work continuing in this area.

"The IRS continues to increase scrutiny on high-income taxpayers as we work to reverse the historic low audit rates and limited focus that the wealthiest individuals and organizations faced in the years that predated the Inflation Reduction Act. We are adding staff and technology to ensure that the taxpayers with the highest income, including partnerships, large corporations and millionaires and billionaires, pay what is legally owed under federal law," Werfel said. "At the same time, we are focused on improving our taxpayer service for hard-working taxpayers, offering them more in-person and online resources as part of our effort to deliver another successful tax season in 2024. The additional resources the IRS has received is making a difference for taxpayers, and we plan to build on these improvements in the months ahead."

Werfel highlighted these as part of a quarterly update on the IRS Strategic Operating Plan, the transformational effort using IRA funding. As these initiatives to improve compliance among high-income individuals, complex partnerships and large corporations increase, the IRS continues its work to improve customer service and modernize core technology infrastructure.

Ensuring complex partnerships, large corporations and high-income, high-wealth individual taxpayers pay taxes owed

The IRS is working to ensure large corporate, large partnership and high-income individual filers pay the taxes they owe. Prior to the Inflation Reduction Act, more than a decade of budget cuts prevented the IRS from keeping pace with the increasingly complicated set of tools that the wealthiest taxpayers use to hide their income and evade paying their share. The IRS is now taking swift and aggressive action

to close this gap.

- **Prioritization of high-income cases:** The IRS has ramped up efforts to pursue high-income, high-wealth individuals who have either not filed their taxes or failed to pay recognized tax debt, with dozens of revenue officers focused on these high-end collection cases. These efforts are concentrated among taxpayers with more than \$1 million in income and more than \$250,000 in recognized tax debt. In an initial success, the IRS collected \$38 million from more than 175 high-income earners. The IRS last fall began contacting about 1,600 new taxpayers in this category that owe hundreds of millions of dollars in taxes. The IRS has assigned over 900 of these 1,600 cases to revenue officers, with over \$482 million collected so far. This brings the total recovered from millionaires through these new initiatives to \$520 million.
- **Pursuing multi-million-dollar partnership balance sheet discrepancies:** The IRS has identified ongoing discrepancies on balance sheets involving partnerships with over \$10 million in assets, which is an indicator of potential non-compliance. Taxpayers filing partnership returns are showing millions of dollars in discrepancies between end-of-year balances compared to the beginning balances the following year. The number of these discrepancies has been increasing, with many taxpayers not attaching required statements explaining the difference. **The IRS announced an initiative to address the balance sheet discrepancy in September and as of the end of October had sent 480 compliance alerts.**
- **Ramp up of audits of 76 largest partnerships leveraging Artificial Intelligence (AI):** The complex structures and tax issues present in large partnerships require a focused approach to best identify the highest risk issues and apply resources accordingly. In 2021, the IRS launched the first stage of its Large Partnership Compliance (LPC) program with examinations of some of the largest and most complex partnership returns in the filing population. The IRS announced in September that it would expand this program to additional large partnerships. With the help of AI, the selection of these returns is the result of groundbreaking collaboration among experts in data science and tax enforcement, who have been working side-by-side to apply cutting-edge machine learning technology to identify potential compliance risk in the areas of partnership tax, general income tax and accounting, and international tax in a taxpayer segment that historically has been subject to limited examination coverage. **As of December, the IRS had open examinations of 76 of the largest partnerships in the U.S. that represent a cross section of industries including hedge funds, real estate investment partnerships, publicly traded partnerships, large law firms and other industries.** On average, these partnerships each have more than \$10 billion in assets.
- **Large Foreign-Owned Corporations Transfer Pricing Initiative:** The IRS is increasing compliance efforts on the U.S. subsidiaries of foreign companies that distribute goods in the U.S. and do not pay their fair share of tax on the profit they earn of their U.S. activity. These foreign companies use transfer pricing rules year after year to report losses that are engineered through the improper use of these rules to avoid reporting an appropriate amount of U.S. profits. **To crack down on this strategy, as of mid-November the IRS has sent compliance alerts to more than 180 subsidiaries of large foreign corporations to reiterate their U.S. tax obligations and incentivize self-correction.**
- **Expansion of the Large Corporate Compliance program:** The Large Business & International Division's (LB&I) Large Corporate Compliance (LCC) program focuses on noncompliance by using data analytics to identify large corporate taxpayers for audit. LCC includes the largest and most complex corporate taxpayers with average assets of more than \$24 billion and average taxable income of approximately \$526 million per year. As new accountants come on board in early 2024, LB&I is expanding the program by starting an additional 60 audits of the largest corporate taxpayers selected using a combination of artificial intelligence and subject matter expertise in areas such as cross-border issues and corporate planning and transactions.
- **Partnership Self-Employment Tax Initiative:** As part of the agency's increased focus on the tax issues applicable to partnerships and partners, the IRS has been increasing compliance to ensure that Self-Employment Contributions Act (SECA) taxes are being properly reported and paid by wealthy individual partners who provide services and have inappropriately claimed to qualify as "limited partners" in state law limited partnerships (such as investment partnerships) not subject to SECA tax. In contrast to wage earners whose employment taxes (Federal Insurance Contributions Act/FICA) are deducted from their paychecks, self-employed individuals are required to report and pay their SECA taxes on their federal income returns. The IRS efforts to date include over 80 audits of wealthy individuals. Additionally, in November 2023, the Tax Court issued an opinion in Soroban Capital Partners LP v. Commissioner that agreed with the IRS's position that the limited partner exception to SECA tax does not apply to a partner who is "limited" in name only.

As a result, partners who actively participated in the state law limited partnership must report their partnership share as net earnings from self-employment subject to SECA tax.

New examples of cases closed since the Inflation Reduction Act passed follow:

- In January 2024, two individuals were sentenced to 25 years and 23 years respectively in prison for conspiracy to commit wire fraud, aiding and assisting the filing of false tax returns and money laundering for their role in promoting a fraudulent tax shelter scheme involving syndicated conservation easements.
- In December, a Swiss Bank entered into a Deferred Prosecution Agreement (DPA) and agreed to pay approximately \$122.9 million to the U.S. Treasury for their role in assisting U.S. taxpayer-clients with evading their U.S. taxes by opening and maintaining undeclared accounts. The bank also maintained accounts of certain U.S. taxpayer-clients in a manner that allowed them to further conceal their undeclared accounts from the IRS. In total, from 2008 through 2014, the bank held 1,637 U.S. Penalty Accounts, with aggregate maximum assets under management of approximately \$5.6 billion in January 2008, on behalf of clients who collectively evaded approximately \$50.6 million in U.S. taxes.
- In December, an individual was sentenced to 10 years and 10 months and ordered to pay more than \$130,000 in restitution, another was sentenced to 102 months in prison and ordered to pay more than \$2.5M in restitution and a third individual was sentenced to four years in prison and ordered to pay more than \$2.5M in restitution for their involvement in a RICO Conspiracy for cyber intrusion and tax fraud. These individuals used the dark web to purchase server credentials for the computer servers of Certified Public Accounting and tax preparation firms across the country.
- In December, an individual was sentenced to 28 months in federal prison and ordered to pay over \$470,000 in restitution to the IRS for filing a false tax return while working as a money mule for romance scams. The individual opened and maintained bank accounts to collect proceeds from the schemes and to send the money to himself and others overseas.
- An individual was sentenced to 57 months in prison for their failure to pay more than \$1.35 million of taxes arising from their operation of several restaurants in the Washington, D.C. area. The individual evaded taxes by concealing assets and obscuring the large sums of money they took from the businesses by purchasing property in the name of a nominee entity and causing false entries in the businesses' books and records to hide personal purchases using business bank accounts.

Hiring additional top talent to pursue high-income individuals, complex partnerships and large corporations

The IRS offered positions to more than 560 new skilled accountants in November and December, key positions in ramping up work to pursue high-wealth individuals, complex partnerships and large corporations that do not pay taxes owed. Importantly, the IRS has been modernizing its hiring processes and holding more direct hiring events to better compete with the private sector and quickly bring top talent on board.

For example, at a December hiring event in Houston, the IRS hired 160 skilled accountants in two days, compressing the typical three to six month hiring process into one day. These events are marketed in advance, and onsite Human Capital Office staff review all applicants' credentials and ensure they are qualified for the position. Following this initial screening, applicants are interviewed by hiring managers and passed to selecting officials for a final decision. Successful applicants are given tentative offers, sponsored and fingerprinted on site, leaving only background and tax checks to be completed.

Improving taxpayer service

The IRS is focused on helping taxpayers get it right the first time — claiming the credits and deductions they are eligible for and avoiding back-and-forth with the agency when errors arise. To help taxpayers get it right, the IRS is working toward taxpayers being able to seamlessly interact with the agency in the ways that work best for them on the phone, in-person and online. The IRS is expanding in-person service and meeting taxpayers where they are, particularly those in underserved and rural communities. The IRS is continuing to expand Taxpayer Assistance Centers across the country.

- **Opening Taxpayer Assistance Centers:** Currently, the IRS has opened or reopened 54 Taxpayer Assistance Centers since the passage of the Inflation Reduction Act, including four since November:

- Bellingham, Washington
- Eau Claire, Wisconsin
- Washington, Pennsylvania
- Media, Pennsylvania

Taxpayer Assistance Centers, which provide in-person support to local communities across the country, will collectively offer over 8,000 more hours of in-person assistance than they did last filing season.

- **Taxpayer Assistance Center hiring update:** As of the end of December, the IRS has hired 858 employees to staff Taxpayer Assistance Centers. This represents a 410 net increase in Taxpayer Assistance Center staffing compared to Fiscal Year 2022, and IRS continues to hire to replace departing staff.

Taxpayers deserve the same functionality in their online accounts that they experience with their bank or other financial institutions. As detailed in the Strategic Operating Plan, in the next five years, taxpayers will be able to securely file all documents and respond to all notices online and securely access and download their data and account history. The IRS has hit or has in progress several milestones toward this goal, including the launch of Business Tax Account, the expansion of the Document Upload Tool to accept responses to nearly all notices and letters, and the launch of digital mobile-adaptive forms.

- **Respond to notices online:** Taxpayers are now able to respond to notices online. Until Filing Season 2023, when taxpayers received notices for things like document verification, they had to respond through the mail. During Filing Season 2023, taxpayers were able to respond to 10 of the most common notices for credits like the Earned Income and Health Insurance Tax Credits online, saving them time and money. By July 2023, taxpayers had the option to respond to 61 IRS notices and letters, and by October 2023, taxpayers could respond to all notices and letters that do not have a filing or payment action. **As of December, the IRS has received more than 45,000 responses to notices via the online tool.**
- **Processing Status for Tax Forms dashboard:** The IRS has launched a public facing [Processing Status for Tax Forms](#) dashboard listing current processing status for key forms (e.g., 1040, 941) and general correspondence. The [IRS operations: Status of mission-critical functions](#) webpage has also been updated to link to the new dashboard. For electronically filed forms, processing status is the typical number of days it currently takes to process a form after receipt from the taxpayer. For paper forms, processing status reflects which month of receipt is currently being processed. The IRS included forms that had significant volumes of submission in paper format and lead to a follow-on action for the taxpayer after submissions are processed. For example, forms that trigger refunds or the receipt of an Individual Taxpayer Identification Number (ITIN). The page is updated weekly to reflect current processing status.
- **Voice bots on Where's My Refund? and Where's My Amended Return?:** IRS launched natural voice language voice bots for taxpayers calling about refunds and amended returns. These voice bots allow callers to ask questions using natural language instead of following menu-driven prompts.

In addition, the IRS continues to expand the functionality of several online platforms:

- With the latest updates to **Individual Online Account**, individuals can now save multiple bank accounts, validate bank account information and display their bank name. Individuals can also schedule and cancel payments and expand and revise payment plans.
- The IRS launched the second phase of **Business Tax Account** that expands its capabilities and eligible entity types. As a result, individual partners of partnerships and individual shareholders of S corporation businesses are now eligible for a business tax account, in addition to sole proprietors with an employer identification number (EIN). Eligible entities can now access business tax transcripts and view digital notices and letters.
- Enhancements to **Tax Pro Account** include the ability to manage active client authorizations with the Centralized Authorization File (CAF) database, view and manage active authorizations, and view their individual and business clients' tax information including business balance due and canceled and returned checks for individuals.

Modernizing technology

On the technology side, the IRS is modernizing decades-old technology to drive the agency's efforts to provide world-class customer service and protect taxpayers' data.

- **Digitalization:** The IRS also continues to make significant progress scanning and e-filing paper returns. By the end of February, the IRS will have replaced scanning equipment that is older than five years and the automated mail-sorter machines in the six highest-volume locations, streamlining the process of mail sorting, opening and scanning. **As of the end of December, the IRS had scanned more than 1.5 million forms during the 2023 calendar year — more than 484,000 Forms 940, 907,000 Forms 941 and more than 111,000 Forms 1040.** Digitization has far-reaching implications for how the IRS can improve service.

For further information:

- [Strategic Operating Plan](#)
- [IRS.gov Tools](#)
- [Taxpayer Experience Days](#)
- [Taxpayer Online Account](#)
- [Tax Information in Non-English Languages](#)

Page Last Reviewed or Updated: 12-Jan-2024

U.S. DEPARTMENT OF THE TREASURY

FACT SHEET: IRS Ramps Up New Initiatives Using Inflation Reduction Act Funding to Ensure Complex Partnerships, Large Corporations Pay Taxes Owed, Continues to Close Millionaire Tax Debt Cases

January 12, 2024

More than half a billion dollars recovered from millionaires who have not paid taxes

WASHINGTON – The Internal Revenue Service (IRS) has made continued progress in expanding enforcement efforts related to high-income individuals, large corporations, and complex partnerships as part of wider efforts to transform the agency using Inflation Reduction Act (IRA) resources. In addition to earlier announcements focused on further improving taxpayer service during the [upcoming 2024 filing season](#), the IRS has focused IRA resources on strengthening enforcement to pursue complex partnerships, large corporations, and high-income, high-wealth individuals who do not pay overdue tax bills.

The IRS is continuing to pursue millionaires that have not paid hundreds of millions of dollars in tax debt, with an additional \$360 million collected on top of the \$122 million reported in late October. The IRS has now collected \$482 million in ongoing effort to recoup taxes owed by 1,600 millionaires with work continuing in this area. When combined with earlier successes, the IRS has recovered more than half a billion dollars from millionaires. The IRS has also advanced efforts to pursue people using partnerships to avoid paying self-employment taxes as well as other enforcement priorities announced in the fall of 2023.

ENSURING COMPLEX PARTNERSHIPS, LARGE CORPORATIONS AND HIGH-INCOME, HIGH-WEALTH INDIVIDUAL TAXPAYERS PAY TAXES OWED

The IRS is working to ensure large corporate, large partnership and high-income individual filers pay the taxes they owe. Prior to the Inflation Reduction Act, more than a decade of budget cuts prevented the IRS from keeping pace with the increasingly complicated set of tools that the wealthiest taxpayers use to hide their income and evade paying taxes owed. The IRS is now taking swift and aggressive action to close this gap.

- **Prioritization of high-income cases:** The IRS has ramped up efforts to pursue high income, high wealth individuals who have either not filed their taxes or failed to pay recognized tax debt, with dozens of Revenue Officers focused on these high-end collection cases. These efforts are concentrated among taxpayers with more than \$1 million in income and more than \$250,000 in recognized tax debt. In an initial success, the IRS collected \$38 million from more than 175 high-income earners. The IRS last fall began contacting about 1,600 new taxpayers in this category that owe hundreds of millions of dollars in taxes. **The IRS has assigned over 900 of these 1,600 cases to revenue officers, with over \$482 million collected so far. This brings the total recovered from millionaires through these new initiatives to \$520 million.**
- **Pursuing multimillion dollar partnership balance sheet discrepancies:** The IRS has identified ongoing discrepancies on balance sheets involving partnerships with over \$10 million in assets, which is an indicator of potential non-compliance. Taxpayers filing partnership returns are showing millions of dollars in discrepancies between end-of-year balances compared to the beginning balances the following year. The number of these

discrepancies has been increasing, with many taxpayers not attaching required statements explaining the difference. **The IRS announced an initiative to address the balance sheet discrepancy in September and as of the end of October had sent 480 compliance alerts.**

- **Ramp up of audits of 76 largest partnerships leveraging Artificial Intelligence (AI):** The complex structures and tax issues present in large partnerships require a focused approach to best identify the highest risk issues and apply resources accordingly. In 2021, the IRS launched the first stage of its Large Partnership Compliance (LPC) program with examinations of some of the largest and most complex partnership returns in the filing population. The IRS announced in September that it would expand this program to additional large partnerships. With the help of AI, the selection of these returns is the result of groundbreaking collaboration among experts in data science and tax enforcement, who have been working side-by-side to apply cutting-edge machine learning technology to identify potential compliance risk in the areas of partnership tax, general income tax and accounting, and international tax in a taxpayer segment that historically has been subject to limited examination coverage. **As of December, the IRS had open examinations of 76 of the largest partnerships in the U.S. that represent a cross section of industries including hedge funds, real estate investment partnerships, publicly traded partnerships, large law firms and other industries.** On average, these partnerships each have more than \$10 billion in assets.
- **Large Foreign-Owned Corporations Transfer Pricing Initiative:** The IRS is increasing compliance efforts on the U.S. subsidiaries of foreign companies that distribute goods in the U.S. and do not pay their fair share of tax on the profit they earn of their U.S. activity. These foreign companies use transfer pricing rules year after year to report losses that are engineered through the improper use of these rules to avoid reporting an appropriate amount of U.S. profits. **To crack down on this strategy, as of mid-November the IRS has sent compliance alerts to more than 180 subsidiaries of large foreign corporations to reiterate their U.S. tax obligations and incentivize self-correction.**
- **Expansion of the Large Corporate Compliance program:** The Large Business & International Division's (LB&I) Large Corporate Compliance (LCC) program focuses on noncompliance by using data analytics to identify large corporate taxpayers for audit. LCC includes the largest and most complex corporate taxpayers with average assets of more than \$24 billion and average taxable income of approximately \$526 million per year. As new accountants come on board in early 2024, LB&I is expanding the program by starting an additional 60 audits of the largest corporate taxpayers selected using a combination of artificial intelligence and subject matter expertise in areas such as cross-border issues and corporate planning and transactions.
- **Partnership Self-Employment Tax Initiative:** As part of the agency's increased focus on the tax issues applicable to partnerships and partners, the IRS has been increasing compliance to ensure that Self-Employment Contributions Act (SECA) taxes are being properly reported and paid by wealthy individual partners who provide services and have inappropriately claimed to qualify as "limited partners" in state law limited partnerships (such as investment partnerships) not subject to SECA tax. In contrast to wage earners whose employment taxes (Federal Insurance Contributions Act/FICA) are deducted from their paychecks, self-employed individuals are required to report and pay their SECA taxes on their federal income returns. The IRS efforts to date include more than 80 audits of wealthy individuals. Additionally, in November 2023, the Tax Court issued an opinion in *Soroban Capital Partners LP v. Commissioner* that agreed with the IRS's position that the limited partner exception to SECA tax does not apply to a partner who is "limited" in name only. As a result, partners who actively participated in the

state law limited partnership must report their partnership share as net earnings from self-employment subject to SECA tax.

New examples of cases closed since the Inflation Reduction Act passed follow:

- In January 2024, two individuals were sentenced to 25 years and 23 years respectively in prison for conspiracy to commit wire fraud, aiding and assisting the filing of false tax returns and money laundering for their role in promoting a fraudulent tax shelter scheme involving syndicated conservation easements.
- In December 2023, a Swiss Bank entered into a Deferred Prosecution Agreement (DPA) and agreed to pay approximately \$122.9 million to the U.S. Treasury for their role in assisting U.S. taxpayer-clients with evading their U.S. taxes by opening and maintaining undeclared accounts. The bank also maintained accounts of certain U.S. taxpayer-clients in a manner that allowed them to further conceal their undeclared accounts from the IRS. In total, from 2008 through 2014, the bank held 1,637 U.S. Penalty Accounts, with aggregate maximum assets under management of approximately \$5.6 billion in January 2008, on behalf of clients who collectively evaded approximately \$50.6 million in U.S. taxes.
- In December 2023, an individual was sentenced to 10 years and 10 months and ordered to pay more than \$130,000 in restitution, another was sentenced to 102 months in prison and ordered to pay more than \$2.5 million in restitution and a third individual was sentenced to four years in prison and ordered to pay more than \$2.5 million in restitution for their involvement in a RICO Conspiracy for cyber intrusion and tax fraud. These individuals used the dark web to purchase server credentials for the computer servers of Certified Public Accounting and tax preparation firms across the country.
- In December 2023, an individual was sentenced to 28 months in federal prison and ordered to pay over \$470,000 in restitution to the IRS for filing a false tax return while working as a money mule for romance scams. The individual opened and maintained bank accounts to collect proceeds from the schemes and to send the money to himself and others overseas.
- An individual was sentenced to 57 months in prison for their failure to pay more than \$1.35 million of taxes arising from their operation of several restaurants in the Washington, D.C. area. The individual evaded taxes by concealing assets and obscuring the large sums of money they took from the businesses by purchasing property in the name of a nominee entity and causing false entries in the businesses' books and records to hide personal purchases using business bank accounts.

HIRING ADDITIONAL TOP TALENT TO PURSUE HIGH-INCOME INDIVIDUALS, COMPLEX PARTNERSHIPS, AND LARGE CORPORATIONS

The IRS offered positions to more than 560 new skilled accountants in November and December, key positions in ramping up work to pursue high-wealth individuals, complex partnerships, and large corporations that do not pay taxes owed. Importantly, the IRS has been modernizing its hiring processes and holding more direct hiring events to better compete with the private sector and quickly bring top talent on board. For example, at a December hiring event in Houston, the IRS hired 160 skilled accountants in two days, compressing the typical three to six month hiring process into one day. These events are marketed in advance, and onsite Human Capital Office staff review all applicants' credentials and ensure they are qualified for the position. Following this initial screening, applicants are interviewed by hiring managers and passed to selecting officials for a final decision. Successful applicants are given tentative offers and sponsored and fingerprinted on site, leaving only background and tax checks to be completed.

IMPROVING TAXPAYER SERVICE

The IRS is focused on helping taxpayers get it right the first time—claiming the credits and deductions they are eligible for and avoiding back-and-forth with the agency when errors arise. To help taxpayers get it right, the IRS is working toward taxpayers being able to seamlessly interact with the agency in the ways that work best for them on the phone, in-person, and online. The IRS is expanding in-person service and meeting taxpayers where they are, particularly those in underserved and rural communities.

- **Opening Taxpayer Assistance Centers:** Currently, the IRS has opened or reopened 54 Taxpayer Assistance Centers since the passage of the Inflation Reduction Act, including four since November:
 - Bellingham, WA
 - Eau Claire, WI
 - Washington, PA
 - Media, PA

Taxpayer Assistance Centers, which provide in-person support to local communities across the country, will collectively offer more than 8,000 more hours of in-person assistance than they did last filing season.

- **Taxpayer Assistance Center Hiring Update:** As of the end of December, the IRS has hired 858 employees to staff Taxpayer Assistance Centers. This represents a 410 net increase in Taxpayer Assistance Center staffing compared to Fiscal Year 2022, and IRS continues to hire to replace departing staff.

Taxpayers deserve the same functionality in their online accounts that they experience with their bank or other financial institutions. As detailed in the Strategic Operating Plan, in the next five years, taxpayers will be able to securely file all documents and respond to all notices online and securely access and download their data and account history. The IRS has hit or has in progress several milestones toward this goal, including the launch of Business Tax Account, the expansion of the Document Upload Tool to accept responses to nearly all notices and letters, and the launch of digital mobile-adaptive forms.

- **Respond to notices online:** Taxpayers are now able to respond to notices online. Until Filing Season 2023, when taxpayers received notices for things like document verification, they had to respond through the mail. During Filing Season 2023, taxpayers were able to respond to 10 of the most common notices for credits like the Earned Income and Health Insurance Tax Credits online, saving them time and money. By July 2023, taxpayers had the option to respond to 61 IRS notices and letters and by October 2023, taxpayers can now respond to all notices and letters that do not have a filing or payment action. **As of December, the IRS has received more than 45,000 responses to notices via the online tool.**
- **Processing Status for Tax Forms:** The IRS has launched a public facing [Processing Status for Tax Forms](#) dashboard listing current processing status for key forms (e.g., 1040, 941) and general correspondence. The [IRS operations: Status of mission-critical functions](#) webpage has also been updated to link to the new dashboard. For electronically filed forms, processing status is the typical number of days it currently takes to process a form after receipt from the taxpayer. For paper forms, processing status reflects which month of receipt is currently being processed. The IRS included forms that had significant volumes of submission in paper format and lead to a follow-on action for the taxpayer after submissions are processed. For example, forms that trigger refunds or the receipt of an Individual Taxpayer Identification Number (ITIN). The page is updated weekly to reflect current processing status.

- **Voice bots on Where's My Refund? And Where's My Amended Return:** IRS launched natural voice language voice bots for taxpayers calling about refunds and amended returns. These voice bots allow callers to ask questions using natural language instead of following menu-driven prompts.

In addition, the IRS continues to expand the functionality of several online platforms:

- With the latest updates to **Individual Online Account**, individuals can now save multiple bank accounts, validate bank account information, and display their bank name. Individuals can also schedule and cancel payments and expand and revise payment plans.
- IRS launched the second phase of **Business Tax Account** that expands its capabilities and eligible entity types. As a result, individual partners of partnerships and individual shareholders of S corporation businesses are now eligible for a business tax account in addition to sole proprietors with an employer identification number (EIN). Eligible entities can now access business tax transcripts and view digital notices and letters.
- Enhancements to **Tax Pro Account** include the ability to manage active client authorizations with the Centralized Authorization File (CAF) database, view and manage active authorizations and view their individual and business clients' tax information, including business balance due and canceled and returned checks for individuals.

MODERNIZING TECHNOLOGY

On the technology side, the IRS is modernizing decades-old technology to drive the agency's efforts to provide world class customer service and protect taxpayers' data.

- **Digitalization:** The IRS also continues to make significant progress scanning and e-filing paper returns. By the end of February, IRS will have replaced scanning equipment that is older than 5 years and the automated mail sorter machines in the six-highest volume locations, streamlining the process of mail sorting, opening, and scanning. **As of the end of December, the IRS had scanned more than 1.5 million forms during the 2023 calendar year—more than 484,000 Forms 940, 907,000 Forms 941 and more than 111,000 Forms 1040.** Digitization has far-reaching implications for how the IRS can improve service.

###