

UNITED STATES SENATOR • IOWA  
**CHUCK GRASSLEY**  
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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Contact: Jill Kozeny, 202/224-1308  
Jill Gerber, 202/224-6522

MEMORANDUM

To: Reporters and Editors  
Fr: Jill Gerber, 202/224-6522  
Re: IRS' pursuit of credit card records  
Da: Monday, March 25, 2002

Today the Internal Revenue Service and the Department of Justice filed court papers seeking records from the Visa credit card company to help track down people who are using offshore banks in tax havens to avoid U.S. taxes. Sen. Chuck Grassley, ranking member of the Committee on Finance, as chairman last April convened a hearing on tax schemes, scams and cons. Grassley made the following comment on today's development.

“At our hearing last year, the IRS promised to crack down on tax cheats. I'm glad to see the IRS following up so aggressively. The idea that hundreds of thousands of Americans might be using their offshore credit card accounts to dodge U.S. taxes is shocking. I'm amazed at the creativity of those who like being Americans but dislike their American tax obligation. Since tax cheats are endlessly creative, the IRS has to be just as creative to catch the crooks.

“In addition to going after individual tax cheats, the IRS also should go after the promoters of illegal tax schemes, especially if those promoters are top accounting firms with easy access to a lot of clients.

“I understand that these credit card-based tax avoidance scams will be a major focus of an upcoming Finance Committee hearing, which will follow up on last year's hearing by gauging the IRS' progress in policing tax scams.

“The timing of the IRS' action is important. It's tax return filing season. To anyone using an offshore credit card account to dodge taxes, your time is up. When you're filing your tax return this year, check the box and 'fess up. Come clean because the IRS will know your hands are dirty.”