

## Scott Michel Talks to Tax Notes on Offshore Enforcement

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It's never really about the taxes, even when it is about the taxes.

Readers will recall Chuck Blazer, the U.S. soccer executive who, after being threatened with criminal prosecution for failing to file income tax returns for many years, agreed to wear a wire to help federal prosecutors snare many corrupt North and South American soccer officials. Hiding in plain sight, the morbidly obese Blazer lived large — his extravagant lifestyle financed by CONCACAF, where he served as general secretary. Blazer, who lived on the 49th floor of Trump Tower, was himself one of the most corrupt soccer officials in history, which is saying something.

...

[Discussing the case of U.S. v. Horsky, where the defendant entered a guilty plea arising from his failure to report a large account at a Swiss bank...]

Horsky paid a willful penalty, and that is thought to have reduced his sentence far below the guidelines. “The government’s requirement that criminal pleas include the 50 percent FBAR penalty has without a doubt contributed to the low sentences in these cases,” said Scott Michel of Caplin & Drysdale, which represented Horsky.

...

[Discussing the difficulties presented by the detail required for a taxpayer to “preclear” into the IRS’s new voluntary disclosure regime...]

Michel concurred, noting problems with previous disclosure procedures. The purpose of pre-clearance is to confirm the taxpayer’s eligibility without incriminating admissions. “Unless the IRS issues guidance stating that information provided in pre-clearance will not be otherwise used against a taxpayer if the taxpayer is rejected, the requirement for such extensive disclosures on the new form will have a significant chilling effect on the voluntary disclosure process,” he said.

For the full article, please visit *Tax Notes*’ website (subscription required).

*Excerpt taken from the article “Nerds and Cops, Part 3: The New Matrix” by Lee A. Sheppard for Tax Notes.*

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