

Tax Cheats Pony Up \$5.5B In Amnesty

BY STEPHEN OHLEMACHER
Associated Press

WASHINGTON — The Internal Revenue Service has recouped more than \$5.5 billion under a series of programs that offered reduced penalties and no jail time to people who voluntarily disclosed assets they were hiding overseas, government investigators said Friday.

In all, more than 39,000 tax cheats have come clean under the programs.

But there's more. Government investigators suspect that thousands of other taxpayers have quietly started reporting foreign accounts without paying any penalties or interest. The number of people reporting foreign accounts to the IRS nearly doubled from 2007 to 2010, to 516,000 accounts, a report by the Government Accountability Office said.

The sharp increase suggests that some people are simply starting to report their accounts without taking part in the disclosure programs, the report said. "IRS has detected some taxpayers with previously undisclosed offshore accounts attempting to circumvent paying the taxes, interest and penalties that would otherwise be owed," the report said. "But based on GAO reviews of IRS data, IRS may be missing attempts by other taxpayers attempting to do so."

Some taxpayers try to avoid penalties through a technique the IRS calls "quiet disclosure," in which they file amended tax returns that report offshore income from prior years. Others simply declare existing offshore accounts for the first time with their current year's tax return, the report said.

"If successful, these techniques result in lost revenue for the Treasury and undermine the offshore programs' fairness and effectiveness," the report said.

Peter Zeidenberg, a partner at the law firm DLA Piper in Washington, said it's pretty obvious that people are starting to report foreign accounts that probably existed for years.

"I don't think you get an increase like that from people just all of a sudden getting the idea I'm going to open an account in Switzerland," Zeidenberg said.

Acting IRS Commissioner Steven Miller said catching overseas tax dodgers is a top priority of the agency. In a written response to the report, he said the agency is working to improve the way it identifies people who are still trying get around the agency's disclosure programs.

The IRS has run four voluntary disclosure programs since 2003. The last three — in 2009, 2011 and 2012 — have yielded almost all of the \$5.5 billion in back taxes, penalties and interest. The latest program is still open.

The agency stepped up its efforts in 2009, when Swiss banking

giant UBS AG agreed to pay a \$780 million fine and turn over details on thousands of accounts suspected of holding undeclared assets from American customers.

The GAO's report looked at data from the 2009 program. More than 10,000 cases from that program have been closed so far. The median account balance: \$570,000.

U.S. taxpayers can hold offshore accounts for a number of legitimate reasons, the report says. They may want to diversify their investments, facilitate international business transactions or get easier access to money while living or working overseas.

But, the report notes, "some use them to illegally reduce their tax liabilities, often by not reporting the income earned on these accounts."

Taxpayers with foreign accounts totaling more than \$10,000 must report them to the IRS or face stiff penalties.

The IRS has long had a policy that certain tax evaders who come forward can usually avoid jail time as long as they agree to pay back taxes, interest and hefty penalties. Drug dealers and money launderers need not apply. But if the money was earned legally, tax evaders can usually avoid criminal prosecution.

Fewer than 100 people apply for the program in a typical year, in part because the penalties can far exceed the value of the hidden account, depending on how long the account holder has evaded U.S. taxes.

The disclosure programs offered reduced penalties, but they were not a complete amnesty. In the 2009 program, most of the tax cheats were required to forfeit 20 percent of their accounts, the report said.

Miller said the agency is using information from people who have come forward to target banks and financial advisers.

The disclosure programs helped build political momentum to pass a law in 2010 that will require foreign banks to report U.S. account holders to U.S. authorities, said Ian Comisky, partner at Blank, Rome, a law firm based in Philadelphia.

If foreign governments refuse to disclose the information, U.S. banks must withhold 30 percent of certain payments to financial institutions in those countries — a big incentive for countries to cooperate.

Together, the disclosure programs and the new law offer a powerful incentive for tax dodgers to come clean, Comisky said.

"They are more scared, and they are coming in where they might have been sitting out in the cold," Comisky said. "Now they're trying to come in, even if there's a penalty to do so."

Canada Terror Plot Raises Deportation Questions

BY CHARMARINE NORONHA
Associated Press Writer

TORONTO — Canada is reviewing the country's deportation policies following revelations that a court decided nine years ago against deporting a man who was arrested last week on terror charges in an alleged plot to derail a train, the federal immigration minister said Friday.

Raed Jaser, who arrived in Canada with his family as a teenager in 1993, was convicted in 1997 on fraud charges and in 2001 of threatening death or bodily harm, according to court records, which did not provide details on the cases. He served probation but

was arrested in 2004 after authorities issued a warrant for his deportation. At a court hearing, Jaser argued that he could not be deported because he was a stateless Palestinian with nowhere to go. The court deferred the deportation order for Jaser, who was eventually granted a pardon.

Last week, Jaser was arrested along with a Tunisian citizen on charges of conspiring to carry out an attack and murder people in association with a terrorist group in a plot to derail a train that runs between New York City and Montreal. Investigators say the men received guidance from members of al-Qaida in Iran. Iranian government officials have said the government

had nothing to do with the plot. Federal immigration minister Jason Kenney said Friday that he will get a briefing from officials on the deportation issue.

He said he was "disturbed to learn a foreigner can get a pardon for serious criminal cases and then be allowed to stay."

"I don't care if you get a pardon or not. If you commit a serious crime in Canada, you should be kicked out, period," he told reporters outside of Parliament. "Why should a pardon override a criminal inadmissibility?"

Kenney noted that Canada has already toughened its deportation policies since Jaser's 2004 case. He said the government recently

passed the Faster Removal of Foreign Criminals Act, which makes it easier to remove foreigners who served six months or more in jail by barring them from appealing a removal order.

Paul Dewar, a lawmaker with the opposition New Democrats party, said the case raised many questions.

"When it comes to, you know, preventing terrorism and concerns that people have around terrorism, it's all about coordination" between government institutions, he said. "And it would appear that someone dropped the ball here and that's what we'll be looking at is who exactly dropped the ball? How did this happen?"

ASK THE EXPERTS

Comfort Care

Hi, my name is Steve Vande Kop, owner of Autumn Winds Comfort Care. Since developing our service about two years ago we have had the pleasure of working with a number of individuals and families when the need for hospice arrived. Our philosophy is to provide care wherever you call home in Yankton and surrounding communities.

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605-689-0382
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Steve Vande Kop,
Owner,
Autumn Winds
Comfort Care

Family Medicine

Q What is Meningitis?

A. Meningitis is a disease caused by the inflammation of the membranes covering the brain and spinal cord known as the meninges. The inflammation is usually caused by an infection of the fluid surrounding the brain and spinal cord. The swelling associated with meningitis often triggers the "hallmark" signs and symptoms of this condition, including headache, fever and stiff neck.

Meningitis may develop in response to a number of causes, usually bacteria or viruses. Most cases of viral meningitis occur in children younger than age 5. Bacterial meningitis commonly affects people under age 20, especially those in community settings such as dormitories, military bases, and child daycare facilities. This increased risk likely occurs because the bacterium is spread by the respiratory route and tends to spread quickly wherever large groups congregate.

Vaccination is an important step in the prevention of bacterial meningitis. All 11-12 year olds should be vaccinated with meningococcal conjugate vaccine. A booster dose should be given at age 16 years. For adolescents who receive the first dose at age 13 to 15 years, a one-time booster dose should be administered, preferably at age 16 through 18 years, before the peak in increased risk. Adolescents who receive their first dose of vaccine at or after age 16 years do not need a booster dose.

As the school year comes to an end, this is the perfect time to review your child's immunization status, especially if he or she will be entering either middle school or college next fall.



605-260-2100, 2525 Fox Run Parkway, Lewis & Clark Medical Plaza, Yankton



Brandi Pravacek, CNP
L&C Specialty Hospital

Ear, Nose & Throat

Q Dr. Rumsey, I used to get a lot of earaches when I was little. Can this affect my hearing when I'm older? I seem to hear better out of my right ear, but if I remember correctly, my earaches always seemed to be in my left ear.

A. This is a good question that we get quite a lot. Although there are scenarios where earaches as a child can lead to permanent hearing impairment as an adult, usually it does not. It is interesting that you notice the ear that was most affected is also the ear with the greatest hearing difficulty. A comprehensive hearing evaluation would be the best way to determine the type, degree and potential cause of your hearing difficulties. There are three types of hearing impairments: conductive, sensorineural and a mixture of both conductive and sensorineural. A conductive hearing loss would be linked to earaches and ear infections and is best treated with medication or surgery. A sensorineural hearing loss is less likely to be linked to middle ear difficulties and is best managed with hearing aids. I hope that this has answered your question. If you need more information or would like to schedule a hearing evaluation, do not hesitate to call the office at (605)655-1220.

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Matthew Rumsey,
Au.D. CCC-A

Podiatry

Q Is there a permanent remedy for ingrown toenails? I'm tired of suffering!

A. Ingrown toenails have several causes, including tight shoes, trauma, weight gain, pregnancy, increased exercise activities, or poor trimming. Identifying the problem many times will resolve the pathology.

When an ingrown toenail becomes a chronic condition, then office-based surgical procedures are quite effective. The technique involves a small amount of anesthesia that is usually well-tolerated by the patient. Then, the incurvated nail borders, or in some situations the entire nail is removed without pain. The nail root known as the matrix, is then gently scraped to remove it. An application of phenol (an acid solution) is then applied to the surgical area to kill any remaining nail root. The surgical areas are then cleansed with saline, followed by antibiotic ointment and a simple dressing. The procedure is performed so the pathological portion of the toenail does not regrow.

This permanent toenail procedure is straightforward, performed in the office, usually has minimal or no pain afterwards, and usually has great results. There is no incision, and there are no sutures. Most people do not take any time off from work, and most athletes can return to sporting activities the next day.

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Terence Pedersen,
D.P.M.

Urological

Q Can diet play a role on preventing prostate cancer?

A. The following is a short list that summarizes dietary aspects of risk factors for prostate cancer:

•More aggressive vitamin D supplementation should be considered in obese cancer patients with a body mass (BMI) greater than 30kg/m

•High intake of protein from dairy products might increase the risk of prostate and breast cancer by increasing the body's production of insulin growth factor. Dairy is ok in moderation, however.

•Keep your cholesterol levels normal.

•Red meat cooked well done has been associated with increase risk of prostate cancer. Therefore less barbecuing and less processed meats is advised. Don't cook your occasional steak or burger to well done. White meat (chicken) was not associated with a higher risk of cancer.

•Green tea is good.

•Cruciferous vegetables (broccoli, etc.) are good.

•Omega 3 fatty acids are good.

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Dr. Joseph Boudreau
MD, F.R.C.S.

Chiropractic

Q How quickly will I notice improvement in my symptoms while receiving chiropractic care?

A. All people recover from injuries or chronic conditions differently. Symptoms may diminish, become intermittent, or change in pattern, type or character. It is common to experience pain and other uncomfortable sensations during recovery. Since chiropractic care uses non-drug and non-surgical approaches, less effort is made to mask the symptoms and more attention is placed on understanding what the symptoms are trying to tell you about your condition. Careful attention to your symptoms and open communication with your chiropractor will help assure the best and fastest recovery. Call today to start your recovery.



2507 Fox Run Parkway,
Yankton, SD, 665-8073



Sheila Fitzgerald,
DC

Fitness/Health

Q I just walk right now for my workout but I keep reading that strength training is important. Why?

A. Congrats on your walking routine but it sounds like this might be a good time to add to it some strength training to compliment it. Maintaining or improving your muscular strength is important at any age but it becomes even more so as we get older. Starting in your 30's, unless you are doing something to maintain your muscle mass, you are losing it. Resistance training will help prevent that and in turn provide you with a multitude of health benefits including the following; increasing/preserving your muscle mass, increasing bone density and metabolism, reducing your risk of falls, improving your control of blood sugar, relieving arthritis pain, help you to maintain independence, improve your mood and much more. It might sound overwhelming but your program doesn't have to take long and it doesn't need to be complicated. The staff at Avera Sacred Heart Wellness Center would be happy to direct you in a safe and effective program. It's never too late to get started!



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