

# 2017 Annual Tax Controversy Institute

## UCLA Extension

October 24, 2017

Beverly Hills Hotel, Beverly Hills, California

The written materials for the 2017 Annual Tax Controversy Institute were, for the most part, prepared by the private practitioners involved in each presentation. No statement, position or opinion set forth in any of such materials should be construed as reflecting the official position of any government agency or their participating representatives.

### PRESENTATIONS

**8:20 - 8:30**     **OPENING REMARKS.**

Rich Burnes, Program Director, UCLA Extension

Charles Rettig, Institute Chair, Hochman, Salkin, Rettig, Toscher & Perez, PC

**8:30 - 9:20**     **A NEW BEGINNING: APPEALING CALIFORNIA TAX DISPUTES**

Learn how the recent California Taxpayer Transparency and Fairness Act of 2017 will impact you and your clients through the establishment of a new Department of Taxation and Fee Administration to handle various examination and collection functions previously administered by the State Board of Equalization and a new Office of Tax Appeals coordinating panels of administrative law judges to handle appeals of tax disputes formerly handled by the State Board of Equalization. Will it be business as usual?

**Moderator:** Steve Sims, EA, Steve Sims, EA LLC

**Panelists:** Marty Dakessian; Dennis N. Brager, Brager Tax Law Group; and Michael Cohen, De Castro, West, Chodorow, Mendler & Glickfeld, Inc.

**Introduction:** Samantha Kittle, GL Howard and Company, CPAs, LLP

**9:20 - 10:10**     **PREVENTING AND MINIMIZING THE EFFECTS OF A DATA BREACH.** Tax professionals

are increasingly the targets of national and international cybercriminal rings seeking access to client data which enhances the chances of successfully filing fraudulent returns. "These syndicates are well-funded, knowledgeable and creative. It's going to take all of us working together to combat these identity thieves," IRS Commissioner Koskinen stated. "But doing nothing or making a minimal effort is no longer an option. Anyone who handles taxpayer information has a legal responsibility to protect it." California alone has seen over 40 reports of data thefts this past filing season with close to 200 in the nation. Hear from a CPA firm whose data was stolen earlier this year and the consequences for the practice. How do you prevent this from happening to you and how do you recognize if you have been a victim? Learn steps to protect your clients

and your business and what to do if your data is stolen. Criminal Investigation will share the latest schemes to increase your awareness and guard against becoming a victim.

**Moderator and Panelist:** Claudia Hill, EA, TaxMam, Inc./TMI Tax Services Group, Inc. and Editor-in-Chief, CCH Journal of Tax Practice & Procedure.

**Panelists:** Michael Helgessen, Special Agent, Criminal Investigation, IRS Washington, DC; Robert Meepos, Meepos & Company and Amy Smith, Sr. Stakeholder Liaison, IRS.

**Introduction:** Steven L. Jager, CPA, Steven L. Jager, CPA Accountancy Corporation

**10:10 - 10:20 BREAK**

**10:20 - 11:00 MARY BETH MURPHY, COMMISSIONER, IRS SMALL BUSINESS / SELF EMPLOYED DIVISION, Lanham, MD**

**Introduction:** Mark Tracht, CPA, IRS Territory Manager, Central Coast.

**11:00 -12:00 CAPTURING THE SMALL CAPTIVE INSURANCE COMPANY**

IRS LB&I is currently conducting a campaign targeting numerous Section 831(b) captive insurance companies and the insureds. The micro captive insurance campaign focuses on transactions of interest identified in Notice 2016-66 in which related parties own an insurance company that has made an election to be taxed only on taxable investment income. Discussion to include relevant issues and considerations for captive audits, Appeals and litigation.

**Moderator and Panelist:** Dennis L. Perez, Hochman, Salkin, Rettig, Toscher & Perez, P.C.

**Panelists:** Michelle Ferreira, Greenberg Traurig, LLP, San Francisco, CA; David L. Rice, Law Offices of David Lee Rice, APLC; A Lavar Taylor, Law Offices of A. Lavar Taylor

**Introduction:** Philip J. Wilson, CPA, Partner in Charge Southern California Region, Marcum LLP

**12:00 – 1:35 ANNUAL BRUCE I. HOCHMAN AWARD LUNCHEON**

**Award Recipient:** Miles D. Friedman, (former) Associate Area Counsel, Internal Revenue Service, Laguna Niguel

**Introduction and Presentation of Award:** Nathan J. Hochman, Morgan, Lewis & Bockius LLP and Steven Toscher, Institute Co-Chair, Hochman, Salkin, Rettig, Toscher & Perez, PC

**Luncheon Speaker:** Selvi Stanislaus, Executive Officer, Franchise Tax Board

**ANNUAL CHILLIN' & GRILLIN' AWARD**

**Presentation of Award:** Ted B. Meyer and Mark Tracht

**Recipient:** Phil Edwards, Examination Territory Manager, IRS SB/SE.

**1:45 - 2:45 DEALING WITH THE “NEW” IRS APPEALS.** IRS Appeals has gone through a fundamental change in the role they play in the tax resolution process. Starting with AJAC and continuing through successor initiatives, Appeals has recast itself in a “quasi-judicial” function. This impacts how both audits and appeals are handled. Hear how these new procedures work from the inside and the practitioner perspective.

**Moderator:** Steve Mather, Mather Law Corporation.

**Panelist:** Keith I. Matsuda, Appeals Team Manager, Examination Appeals – Area 8, IRS; Timothy Bilotta, SB/SE Territory Manager, Field Examination; Michael Desmond; Igor S. Drabkin, Holtz, Slavett & Drabkin.

**Introduction:** Ernest F. Howard, CPA

**2:45 - 3:00**      **BREAK**

**3:00 - 4:00**      **SHOULD YOUR CANNABIS OR BITCOIN CLIENT CONSIDER TAKING THE FIFTH?** IRS examinations of the Cannabis industry, taxpayers operating in a world of Bitcoin and Crypto currency transactions and others enhance the possibility of an otherwise routine taxpayer interview leading to a criminal investigation or prosecution referral. How, when and what are the possible consequences of invoking the 5<sup>th</sup> Amendment in connection with the filing of tax or information returns or during a civil examination.

**Moderator and Panelist:** Pedram Ben-Cohen, Ben-Cohen Law Firm, PLC

**Panelists:** Nathan J. Hochman, Morgan, Lewis & Bockius LLP; Wayne McEwan, Wayne McEwan & Associates (former Chief, IRS Criminal Investigation, Los Angeles, CA); and Ted Meyer.

**Introduction:** Kip Dellinger, Jr., CPA, Cooper Moss Resnick Klein & Co. LLP

**4:00 - 5:15**      **ALL IN – THE "DO'S AND DON'TS" IMPACTING THE CIVIL TAX TRIAL (OR CRIMINAL PROSECUTION)** – Roundtable discussion re various strategies employed during a civil examination or criminal investigation that can impact the resolution of the case, including the impact of opting out of an IRS offshore program (and the IRS being in possession of foreign account information), post-return conduct, cooperation vs. confrontation, delayed or incomplete responses as possible basis to establish fraudulent intent at the time the return was filed, current filing issues in the midst of an examination or a criminal investigation, "do's and don'ts" in the tax trenches, and penalty considerations. What should you consider before, during and after the administrative process? What may be discoverable, privileged, and why?

**Moderator and Panelist:** Steven Toscher, Hochman, Salkin, Rettig, Toscher & Perez, P.C.

**Panelists:** Don Fort, Chief, IRS Criminal Investigation; Stephen Lepore, IRS SEP Manager; Luis Tejada, Manager, Fraud Technical Advisor Group (*invited*), Richard Speier, Richard Speier & Associates; Valerie Makarewicz, AUSA, Tax Division, Office of the US Attorney (C.D.Cal) and Martin A. Schainbaum, Martin A. Schainbaum, APC.

**Introduction:** Gary Slavett, Holtz, Slavett & Drabkin

**5:15 -**              **RECEPTION**