



## Robert W. Wood

THE TAX LAWYER

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# IRS Professional Responsibility Lawyer Charged In Drug Distribution Conspiracy

As tax filing season gets underway, the IRS and Justice Department *normally* roll out enforcement examples of tax cheats who are caught and brought to justice. These accounts probably have some deterrent effect, particularly for taxpayers who are huddled over their tax returns. Let's see, should you claim that iffy deduction? But this isn't the usually timed story. [Jack Vitayanon](#), an attorney adviser in the IRS's Office of Professional Responsibility and an adjunct professor at Georgetown Law School, has been arrested and charged with conspiring with others to [distribute at least 500 grams of methamphetamine](#).

[As detailed in the complaint](#), Mr. Vitayanon conspired with others in Arizona and on Long Island to distribute meth for several years. Vitayanon recently negotiated with undercover special agents and shipped 460 grams of meth from his apartment in Washington D.C. to Long Island via Federal Express. The recipient of the package, acting at the direction of law enforcement, recorded an online video chat with Vitayanon on December 15, 2016 and during the recorded conversation Vitayanon was observed in his residence smoking what appeared to be meth from a glass pipe, according to the complaint.



(AP Photo/J. David Ake, File)

A search of the defendant's Washington D.C. apartment executed pursuant to a court-authorized search warrant led to the seizure of additional quantities of suspected methamphetamine, drug paraphernalia, packaging materials and drug ledgers. "As alleged, the defendant – a federal attorney working for the IRS's Office of Professional Responsibility – broke bad and supplemented his income by selling distribution quantities of methamphetamine," [stated United States Attorney Capers](#). "The defendant will now be held to account for his alleged criminal conduct."

The [IRS said](#) it could not comment on "specific personnel matters." But the agency said it held its employees to "high standards and does not tolerate inappropriate behavior." If there were questions about an employee's conduct, the agency said it would work with law enforcement. Notably, of course, the charges in the complaint are merely allegations. Like all criminal defendants, this defendant is presumed innocent unless and until he is proven guilty. The government's case is being prosecuted by the Office's Long Island Criminal Section. Assistant United States Attorney Charles N. Rose is in charge of the prosecution.

Regardless of whether this defendant is ultimately convicted, it is worth remembering—especially at this time of year—that tax crimes too can be quite serious. Indeed, [Al Capone](#) was convicted not of murder, graft or racketeering, but of income tax evasion. No matter how you make your living, the tax laws apply. Deductions can be a problem. We generally pay tax on net income, not gross income. But for criminals, claiming expenses can be a

problem. If you report your illegal income—which may be admitting to a crime—tax deductions can be limited.

Illegal payments generally aren't deductible. And as the medical marijuana industry is learning, [Section 280E](#) of the tax code denies even plain vanilla tax deductions for those dealing in controlled substances. In the past, the [leading trade publication for the marijuana industry reports](#) that some in the industry are being pushed underground. Whatever your business, be careful out there.

*For alerts to future tax articles, email me at [Wood@WoodLLP.com](mailto:Wood@WoodLLP.com). This discussion is not legal advice.*