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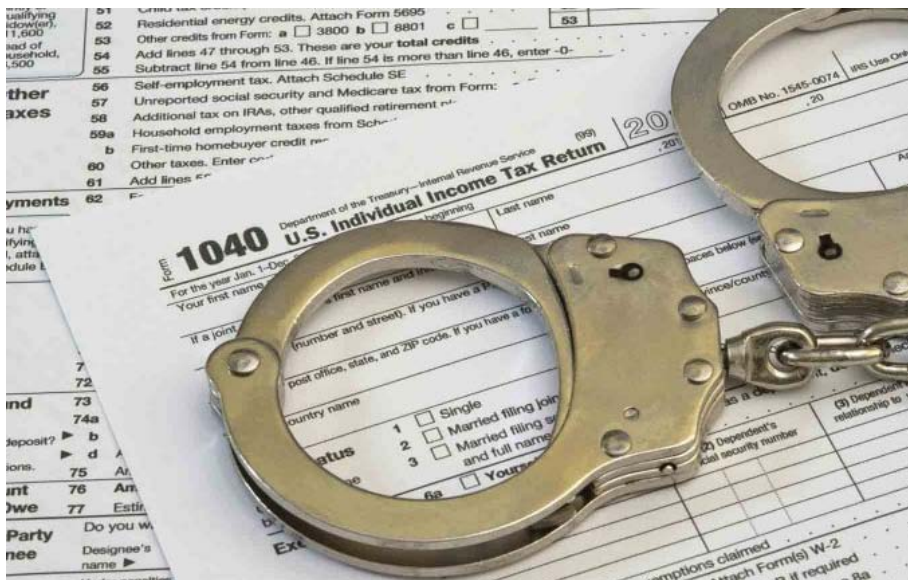
THE TAX LAWYER

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Catholic Priest Guilty Of Tax Evasion Shows IRS Interview Risks

A Catholic Priest from the Roman Catholic Diocese of San Jose, California has pleaded guilty to tax evasion. Father Hien Minh Nguyen, age 56, admitted that over a period of four years, he stole money from his parishioners. He took the money parishioners had donated to the Diocese for himself. And, from 2008 through 2011, he willfully evaded paying income taxes on it.

Although the money was for the church, Father Nguyen admitted that he deposited it into his personal bank account. Then, he did not tell his income tax return preparer about it. He did not keep records of the donations he stole, and he filed false income tax returns that did not report the money. Although the Priest plead guilty to the tax charges, Father Nguyen has pleaded not guilty to the bank fraud charges. So those charges remain pending.



The Department Of Justice issued a press release [here](#), and the indictment is [here](#). Father Nguyen has not yet been sentenced, but he could face up to five years in prison, as well as monetary penalties, for each tax evasion

conviction. The case underscores the risks of dealing with charitable monies. It also contains some important reminders about responding to IRS questions and the conduct of interviews.

Before Father Nguyen admitted to the tax evasion and pleaded guilty, he was surprised by the IRS and started talking. Agents from the IRS Criminal Investigation Division showed up unexpectedly and asked to interview the Priest. His first mistake was to agree. The IRS agents said that Father Nguyen was not legally required to submit to the interview. They informed him that he had the legal right not to answer questions.

But how bad could it be, he must have thought? His first mistake was in agreeing to the interview in the first place. He should have politely taken their business cards, and said that his lawyer would call them. But Father Nguyen tried to talk his way out of the awkward situation. And as the IRS certainly noticed, Father Nguyen then proceeded to give inconsistent and conflicting answers. The IRS even asked him about his waffling responses to questions.

As he may have gotten a bit rattled, Father Nguyen asked for a break. Yet even after the break, Father Nguyen went back to answering the IRS' questions. Once again, he gave inconsistent answers, and responses that it later became clear were replete with untrue statements. Father Nguyen's lawyer would later claim that the IRS had tricked, deceived, or coerced the Priest. His lawyer was trying to keep out of evidence the damning statements the Priest had made to the IRS.

But it was no use. The court was satisfied that the IRS had done what it was required to do, and that Father Nguyen had not been tricked, deceived, or coerced. That part of the case appears [here](#). It is important to remember that there is a part of the IRS that is [criminal](#). If you are visited by IRS Criminal Investigation Division Special Agents, you should consult with an attorney. You are not legally required to talk to them.

In fact, the [Fifth Amendment to the US Constitution](#) guarantees your right against self-incrimination. You may believe that by answering a few simple questions you will not hurt yourself or your position—especially if you are just a witness. Don't be so sure. Regardless of how adept you are at

communication, speaking up may help the IRS build a criminal case against *you*. The IRS may (quite honestly) tell you that you are not the target of the investigation and merely a witness. Even so, you are entitled to retain counsel.

In the early stages of IRS criminal investigations, a person may be told he or she is a witness. You may therefore think there's no harm in being forthcoming. You might assume your cooperation will make it more likely that the IRS will appreciate you and leave you alone. However, as the investigation continues, a witness can become a target. Even if you are convinced you are merely a witness and will remain so, the U.S. Supreme Court has ruled that you have the right to assert your constitutional privilege against self-incrimination. See [*Bellis v. United States*](#).

If you are approached and questioned by a Special Agent, ask for his or her business card. Firmly but politely state that you do not want to answer any questions, and that you will have your attorney contact the Special Agent. You can fully cooperate through your attorney. This may sound paranoid, but the ramifications of getting flustered and running off at the mouth can be serious. Particularly given the fluid nature of who is a witness and who is a target, even statements you think sound innocent may not be.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.