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Forget Wesley Snipes--Judge Gives '5 Second Probation' In \$21M Tax Case

The IRS takes a *really* hard line on undisclosed foreign bank accounts. See [FBAR Penalties Just Got Even Worse](#). Those who don't come forward voluntarily can be treated harshly. What's harsh?

Consider 79 year-old Mary Estelle Curran of Palm Beach who inherited Swiss and Liechtenstein accounts when her husband died in 2000. She failed to report them and the IRS lost out on approximately \$667,716 in taxes. That's a lot of money to be sure, but the size of her penalty was, well, enormous: 50% of the highest balance: \$21,666,929. See [Florida Widow Guilty + \\$21M Penalty For Inherited Swiss + Liechtenstein Accounts](#).

And that's not all. She was facing serious jail time too. And it seemed doubly unfair that she was unsophisticated and had tried to come forward to the IRS long before. Unfortunately, the IRS already had her name so would not treat her under its more favorable amnesty rules. Eventually she pleaded guilty to filing false 2006 and 2007 tax returns.



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The case has generated national interest with its dollars, and her potential prison term was up to six years. Fortunately, though, U.S. District Judge Kenneth Ryskamp eased up, even suggesting that the government could probably use a little more discretion. What a deft understatement.

The sentencing judge first gave Ms. Curran great news by not sentencing her to prison and just giving her one year probation. Then he instantly gave her even better news by right away revoking the probation. The Judge even suggested to Ms. Curran's lawyers that they might want to seek a Presidential pardon. See [Widow Who Owed \\$21.6M to Feds Gets 'Effectively 5 Seconds' of Probation, as Judge Scolds Government](#).

The Judge didn't call the government bad names or anything, but he did seem disappointed in the government that they were taking this little old lady to task after already taking the lion's share of her money. Bravo for this Judge. See [From 2 Tax-Evasion Sentences, a Lesson Comes](#).

The IRS and DOJ have more and more resources at their disposal and urge taxpayers to address compliance failures before it's too late. See [10 IRS Rules For Stress-Free Foreign Accounts](#). Merely closing a foreign bank account does not solve disclosure problems. See [Is Closing Foreign Bank Accounts An Alternative To Disclosure?](#) Remember these key rules:

- You **must** report [worldwide income](#) on your U.S. income tax return. If you have an interest in a foreign bank or financial account you must check "yes" on Schedule B.
- All U.S. persons with foreign bank accounts exceeding \$10,000 at any time during the year must file an FBAR by each June 30. See [Primer For First Time FBAR Filers](#).
- You may also need to file an IRS [Form 8938](#) to report your foreign accounts and assets. See [IRS Form 8938 Or FBAR?](#)

Don't count on 5 seconds of probation.

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