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Former House Speaker Dennis Hastert Indicted Over \$3.5 Million Cash Payments

Former U.S. House Speaker Dennis Hastert has been [indicted](#) on federal charges related to undisclosed payments. He is charged with withdrawing small amounts of cash to evade the \$10,000 cash reports, and then lying to the FBI when asked about it. Each count of the indictment carries a maximum penalty of 5 years in prison and a \$250,000 fine. The cash was allegedly handed to someone the indictment calls “Individual A.”

[The full indictment](#) is worth reading, particularly given how much remains unclear. It is not yet clear what, if anything, Mr. Hastert was trying to hide. Yet these charges are one more indication that those IRS cash reports—and trying to avoid them—remains a serious fault that prosecutors can exploit. Mr. Hastert succeeded Newt Gingrich as Speaker of the House, serving for 8 years. Now age 73, he retired from Congress in 2007.

The feds allege that from 2010 to 2014, Mr. Hastert withdrew large sums of cash in small increments. When the feds asked him about it, the feds say that Mr. Hastert falsely stated that he was keeping the cash. Much of the fuss is over [IRS Form 8300](#), which is required to be filed if a business receives over \$10,000 in cash from one buyer in a single transaction or in several related transactions. Sometimes, what is ‘related’ is a judgment call.



Generally, any person in a trade or business who receives more than \$10,000 in cash in a single transaction or related transactions must complete a [Form 8300, Report of Cash Payments Over \\$10,000 Received in a Trade or Business](#). Form 8300 is a joint form issued by the IRS and the Financial Crimes Enforcement Network (FinCEN). The latter is the same agency that brings you the dreaded FBAR form for foreign accounts. The IRS even has a list of [FAQs regarding reporting cash](#).

The IRS says Form 8300 is used to track people who evade taxes or who profit from criminal activities. Although the cash reporting requirements apply to many types of businesses, auto dealerships are singled out for special scrutiny. Of course, banks are also a prime source of generating the forms.

IRS [Publication 1544](#) is an excellent source of information regarding [Form 8300](#). The IRS even points out when you do *not* have to file Form 8300: if the transaction is *not* related to your trade or business. The IRS gives this example: Say you own a jewelry store, and sell your personal car for more than \$10,000 in cash. You do *not* need to submit a Form 8300 for that transaction.

Defining a transaction is key. It happens when goods, services, or property are sold; when property is rented; when cash is exchanged for other cash; when a contribution is made to a trust or escrow account; when a loan is made or repaid; etc.

How do you add up the more than \$10,000 tally? The IRS says you report if you received:

- One lump sum of over \$10,000;
- Installment payments that cause the total cash received within 1 year of the initial payment to total more than \$10,000; or
- Other previously unreportable payments that cause the total cash received within a 12-month period to total more than \$10,000.

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