



INSTITUTE FOR JUSTICE

February 16, 2016

The Honorable John A. Koskinen
Commissioner
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224

Dear Commissioner Koskinen:

I am writing to inquire about the status of a petition for remission or mitigation submitted to your agency on July 16, 2015, on behalf of a citizen seeking the return of \$153,907.99 seized by the Internal Revenue Service under the structuring laws.

Petitioner Khalid (“Ken”) Quran is a victim of a former IRS policy—abandoned in October 2014—under which the agency seized money from Americans accused of nothing more than depositing or withdrawing cash in amounts under \$10,000 (so-called “legal source structuring”). Appearing to testify before the House Ways and Means Oversight Subcommittee in February 2015 you apologized on behalf of the IRS to citizens who were caught up by that policy. Ken is now asking for something better than an apology. Ken is asking to have his money returned.

As the enclosed petition details, Ken runs a convenience store in rural North Carolina. He opens and closes his store, seven days a week, every day of the year, and now, at age 61, he is looking towards retirement. But Ken is unsure how he will ever be able to afford to retire, as the IRS seized the entire bank account for his business. The IRS took that money without accusing Ken of any crime, apart from the mere act of withdrawing lawfully-earned cash from the bank in amounts under \$10,000.

On August 11, 2015, the members of the House Ways and Means Oversight Subcommittee sent a letter to Treasury Secretary Jacob Lew—copied to your office—urging your agency to review petitions for remission or mitigation involving structuring forfeitures and to “return funds as appropriate in cases that do not meet the IRS’s current policy that the funds must have come from an illegal source.” Ken has filed just such a petition.

At this point, Ken has waited over six months for an answer to his petition. Under IRS policies, the Deputy Director for Operations Policy & Support should have received a report from Division Counsel/Associate Chief Counsel (Criminal Tax) setting forth a proposed

The Honorable John A. Koskinen
February 16, 2016
Page 2 of 3

resolution of the petition on September 28, 2015. Over four months have passed since that date. Nobody from the IRS has contacted Ken or his attorneys to request additional information related to the petition. Indeed, the petition has generated no response of any kind.

While we appreciate your thorough consideration of the petition, we wish to underscore the burden caused to Ken by any unnecessary delay in the return of his funds. Ken worries constantly about having enough money in the bank to keep his business running, and he has been forced to take out a loan—using his family home as collateral—to raise working capital for his business. Ken’s health has suffered as he awaits a decision on his petition. Ken complains of constant leg aches, from being on his feet all day at the store, and just recently Ken began taking medicine for diabetes. Ken would very much like to retire. But Ken does not believe he can afford to retire if his money is not returned.

Thank you for your time and careful attention to this matter.

Sincerely,



Robert Everett Johnson
Attorney
Institute for Justice

Enc: Letter from Ways & Means Subcommittee on Oversight (August 2015)
Petition for Remission or Mitigation (July 2015)

cc: Members of the House Ways & Means Oversight Subcommittee
The Honorable Peter J. Roskam
The Honorable John Lewis
The Honorable Patrick Meehan
The Honorable George Holding
The Honorable Jason Smith
The Honorable Tom Reed
The Honorable Tom Rice
The Honorable Kenny Marchant
The Honorable Joseph Crowley
The Honorable Charles Rangel
The Honorable Danny Davis

The Honorable John A. Koskinen
February 16, 2016
Page 3 of 3

Former Members of the House Ways & Means Oversight Subcommittee
The Honorable Mike Kelly
The Honorable Kristi Noem
The Honorable Jim Renacci

Mr. Richard Weber, Chief, IRS Criminal Investigations

Deputy Director, Operations Policy & Support (IRS Criminal Investigations)

Division Counsel/Associate Chief Counsel (Criminal Tax)

Special Agent in Charge Thomas J. Holloman, III