

IRS “Octopus” Squeezes Truth Radio

-- By Richard Palmquist

If you are a Truth Radio “insider” you need to know that on May 18, 2009, the IRS violated its own procedural rules by issuing a LEVY notice against Truth Radio, without first issuing a LIEN (they call them a “Notice of Lien.”) The Notice of Lien comes first, then the Levy. Not this time. You ask why? I don't know why, but I think it is because I dared to answer a demand by writing them a certified letter telling the truth about the issue raised by their bill. What was the bill for? I'll tell you.

In 1997, when we started www.truthradio.com, the Fresno IRS office told us to file 1065 tax forms. We did so. We are NOT a partnership, so each year we filed a cover letter explaining that we did not include K-1 filings because we are not a partnership. About three years ago, the IRS commanded us in writing NOT to file 1065 forms, so we wrote a courteous letter asking what form we should use. When they did not reply, and when the Taxpayer Advocate could not answer the question either, we hired an attorney. He wrote the IRS before each tax deadline for a few years asking each time what form should be filed. He always included our profit and loss statement, always showing a loss.

The IRS replied by sending me a bill for \$500 for a frivolous filing. I wrote back, courteously, asking what the bill was for. They have never replied, and no follow-up bill has ever been received. The attorney seemed not to care that his letter was alleged to be “frivolous.” Finally, the IRS told us Truth Radio's results should be filed on our personal “Schedule C.” We hired an ENROLLED AGENT to do that filing. As a result, the IRS has charged a \$500 penalty. **They say we filed late. Not true. We filed statements on time. They were the ones who were late replying.** Result? We will have to run to the bank to make good on checks that will bounce because the IRS will be regularly taking the tiny balance in our account. That balance is usually a drop in the bucket; but if timing is wrong, the bank will reject our checks, causing chaos. That's the way IRS levies work.

Our IRS octopus has five tentacles. Here are the IRS issues I would like to take to Federal Court.

1. The IRS claims the Palmquists did not file in 2001. We proved we did. A high IRS official in Texas certified in writing that the matter is "closed." Recently they sent us a bill for \$600-\$700, a “penalty” payment for not filing in 2001. I have written a complaint about it: no answer. The issue is pending. The core of this problem is that I sent a letter with the 1040 detailing the illegal status of the IRS.¹
2. The IRS defrauded us in an audit a few years ago. (The auditor is a former elder in our church. He ushers most Sundays. His name is Mike Krovious. He overtly and purposefully -- even admitted that he -- defrauded us during the audit.) Krovious was instructed to tell Truth Radio what form to file. He refused. If he had done his job, his audit would have netted him nothing, as Truth Radio losses would have wiped out the \$30,000 we lost in a complex audit appeal of our 2002-2005 taxes.
3. The IRS charged us a wrongful \$7,000 "penalty-our-attorney-declares-we-do-not-owe" in connection with that audit, and the IRS TOOK that money from our Social Security proceeds by levy, negatively impacting our credit rating. (These three points total roughly \$37,700.)
4. The IRS has ACKNOWLEDGED in writing that they owe us about \$6,500-\$7,000 in refunds due to partial corrections of the fraud. The corrections were filed by a CPA; yet, they refuse to pay that money. No explanation: just delays past promised pay dates. (Raise the total to about \$38,400.)
5. The IRS told Truth Radio to stop filing 1065 forms and Krovious was instructed by his superiors to tell us what form TO file: he refused to answer the question. We hired a Visalia attorney to get the answer. The IRS refused to reply to him. We filed profit and loss statements (allowed by IRS rules) instead, each one on time, through that attorney. They sought a \$500 penalty (not yet collected by them). Now, they claim we "filed late" and today they noticed us that they will be levying (taking money from the Truth Radio checking account) in spite of my having written a factual explanation to set straight the record. (Rough total \$40,000. Add attorney fees and it is nearly \$50,000.)

The above details could change. Read this as a “snapshot” as of May 2009. I don't plan to update.

¹ For a copy of that 1040 and letter, write: Truth Radio, PO Box 344, Nipomo, CA 93444.