THE IRS MAN COMETH FOR COLLEGE ADMISSION SCAMMERS

March 25, 2019

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Trusts & Estates Magazine Website

Conrad Teitell, wrote an article for *Trusts and Estate Magazine* Website entitled "The IRS Man Cometh for College Admission Scammers."

For a link to this article, click here.

The IRS Man Cometh for College Admission Scammers

Uncle Sam looks to be coming after anyone connected to the Key Worldwide Foundation.

Federal racketeering, conspiracy and mail fraud charges have been brought; high-profile schools have rescinded acceptances; and now the IRS is looking to take a bite out of those connected to the widely reported college admissions scandal. In particular, the focus is on anyone who donated to the shadowy "charity" at the scam's center: the Key Worldwide Foundation.

Parents who made charitable gifts to the Key Worldwide Foundation (classified as an Internal Revenue Code Section 501(c)(3) public charity by the Internal Revenue Service) involved in the college admissions scheme could face denial of their charitable deductions and pay IRC Section 6662 20 percent penalties on tax underpayments. Civil fraud penalties could be imposed—and criminal charges are possible.

Senator Ron Wyden (D-Ore), ranking minority member of the Senate Finance Committee, said he plans to introduce a bill prohibiting donors to colleges from taking charitable deductions before or during the time a family member is enrolled.

This would apply to gifts made by all individuals—not just those involved in the payoff scheme. The legislation would apply to all legal donations, including gifts for scholarships, buildings on college campuses and purchases of season sports tickets.