Current Federal Tax Developments

Week of December 7, 2020

Edward K. Zollars, CPA
(Licensed in Arizona)

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Current Federal Tax Developments

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SECTION: SECURITY
MULTI-FACTOR AUTHENTICATION TO BE AVAILABLE ON ALL ONLINE TAX PRODUCTS BEGINNING WITH 2020 FILING SEASON

Citation: "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, 12/1/20

The IRS in a news release issued as part of IRS National Tax Security Awareness Week touted the benefits of multi-factor authentication (MFA) for use by taxpayers and tax professionals.[1] Multi-factor authentication (also often referred to as two-factor authentication) is being recommended for use in protecting online accounts, especially those containing sensitive information, due to some of the often-seen issues with traditional username/password log-ins to online systems.

The IRS describes the process as follows:

> Designed to protect both taxpayers and tax professionals, multi-factor authentication means the returning user must enter two pieces of data to securely access an account or application. For example, taxpayers must enter their credentials (username and password) plus a numerical code sent as a text to their mobile phone.[2]

The example cited by the IRS may be an unfortunate one, as later in the release the IRS notes that the use of numbers sent to mobile phones is known to be less secure than other options that may be available:

> There are multiple options for multi-factor authentication. For example, taxpayers and tax practitioners can download an authentication app to their mobile device. These apps are readily available through Google Play or Apple's App Store. Once properly configured, these apps will generate a temporary, single-use security code, which the user must enter into their tax software to complete authentication. Use a search engine for "Authentication apps" to learn more.

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[1] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020 (https://www.irs.gov/newsroom/irs-national-tax-security-awareness-week-day-2-2021-online-tax-preparation-products-to-offer-multi-factor-authentication-for-taxpayers-tax-pros (retrieved December 5, 2020)

[2] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020

> Other options include codes that may be sent to practitioner's email or mobile phone via text but those are not as secure as an authentication app.[3]

What are these potential security issues with email or SMS messages? One basic problem is that a code sent by text or email automatically creates a transmission over systems which themselves were not designed to be secure. It is possible that emails could be intercepted in transit or even that some party other than the taxpayer or tax professional may be in possession of the credentials to log into the email account.

The text message transmission system also is not designed to be secure, but a second problem arises there—that of "SIM-jacking" where a party seeking to gain access to the account could, by using social engineering techniques (such as giving a good sob story over the phone or at a store) persuade an employee of a cell phone carrier to issue a new SIM for the taxpayer's or (more likely due to being a higher value target) tax professional's mobile number, which would cause the texted number to go to the newly activated phone.

While most likely these techniques will not be used against the taxpayer or tax professional, the use of authentication applications (such as Google Authenticator and the plethora of other applications based on the same standard[4]) eliminate the need to transmit a number, thus removing the risk of the additional factor being intercepted in transit. Therefore, whenever possible the authenticator application option should be used.

The news release goes on to note that MFA will be present in all online tax products for 2021:

> Some online products previously offered multi-factor authentication. However, for 2021 all providers agreed to make it a standard feature and all agreed that it would meet requirements set by the National Institute of Standards and Technology. Multi-factor authentication may not be available on over-the-counter hard disk tax products.[5]

The agreement only requires that MFA be offered on the products, not that its use be mandated (although some products are now requiring the use of MFA, at least to perform certain actions). The release notes:

> Because the multi-factor authentication option is voluntary, Summit partners urged both taxpayers and tax professionals to use it. Multi-factor authentication can reduce the likelihood of identity theft by making it difficult for thieves to get access to sensitive accounts.

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[3] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020

[4] For instance, the Thomson Reuters Authenticator app used for two-factor authentication for Thomson Reuters products uses this same standard authentication mechanism. While Google may have developed the system, using the system does note require using any Google products.

[5] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020

> Users should check the security section in their online tax product account to make the change. It may be labeled as two-factor authentication or two-step verification or similar names.[6]

The release gives the following arguments (with which this author concurs) for the use of MFA with products that deal with tax information for tax professionals:

> Use of multi-factor authentication is especially important for tax professionals who continue to be prime targets of identity thieves. Of the numerous data thefts reported to the IRS from tax professional offices this year, most could have been avoided had the practitioner used multi-factor authentication to protect tax software accounts.
>
> Thieves use a variety of scams – but most commonly by a phishing email – to download malicious software, such as keystroke software. This malware will eventually enable them to steal all passwords from a tax pro. Once the thief has accessed the practitioner's networks and tax software account, they will complete pending taxpayer returns, alter refund information and use the practitioner's own e-filing and preparer numbers to file the fraudulent return – a dangerous combination.
>
> However, with multi-factor authentication, it's unlikely the thief will have stolen the practitioner's cell phone — blocking the ability to receive the necessary security code to access the account. This protects the tax pro's account information.[7]

The release concludes with a caution that no security measure, even MFA, can provide complete security—but the use of it in as many contexts as it is offered will greatly increase the user's overall security:

> While no product is fool-proof, multi-factor authentication does dramatically reduce the likelihood that taxpayers or tax practitioners will become victims. Multi-factor authentication should be used wherever it is offered. For example, financial accounts, social media accounts, cloud storage accounts and popular email providers all offer multi-factor authentication options.[8]

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[6] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020

[7] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020

[8] "IRS National Tax Security Awareness Week, Day 2: 2021 online tax preparation products to offer multi-factor authentication for taxpayers, tax pros," IRS News Release IRS-2020-266, December 1, 2020

SECTION: 132
IRS GRANTS RELIEF FOR TAXPAYERS WHOSE VANS FAIL TO MEET REQUIREMENTS TO BE COMMUTER HIGHWAY VEHICLES IN 2020 DUE TO COVID-19 PANDEMIC

Citation: "Frequently Asked Question about COVID Relief for Van Pools," IRS webpage, 12/3/20

The IRS has issued a frequently asked question page[9] to describe relief for vehicles used in a van pool that may fail to meet the 80% mileage test to be considered a "commuter highway vehicle" due to the COVID-19 pandemic.

The IRS seeks to answer the following question:

> For the 2020 calendar year, under what conditions is a vehicle used in a van pool considered a "commuter highway vehicle" for purposes of the qualified transportation fringe benefit requirements under section 132(f) of the Internal Revenue Code (Code) if, during the COVID-19 public health emergency, 80 percent of the vehicle's mileage for the year is not attributable to trips during which the number of employees transported from their residence to their place of employment is at least 50 percent of the adult seating capacity of the vehicle (not including the driver)?[10]

The FAQ answer describes the normal requirements for the vehicle to be treated as a commuter highway vehicle and why that would be important to an employer:

> For 2020, up to $270 per month in qualified transportation fringe benefits provided by employers may be excluded from income and wages of employees under section 132(f). Qualified transportation fringe benefits include employer reimbursements made to employees for the cost of commuting between their residence and their place of employment in commuter highway vehicles that meet certain requirements, often called van pools. Van pools may be operated by employees, employers, or by private or public transit companies.
>
> Vehicles used in a van pool operated by employees and employers must satisfy certain occupancy and mileage requirements in order for the reimbursements to be eligible for exclusion from income under section 132(f). Specifically, employer-operated and employee-operated vehicles must have a seating capacity of at least 6 adults (not including the driver), and it must be reasonable to expect that for the year at least 80 percent of the mileage will be (i) for transporting employees

[9] "Frequently Asked Question about COVID Relief for Van Pools," IRS webpage, December 3, 2020, https://www.irs.gov/newsroom/frequently-asked-question-about-covid-relief-for-van-pools (retrieved December 5, 2020)

[10] "Frequently Asked Question about COVID Relief for Van Pools," IRS webpage, December 3, 2020

> between their residences and their place of employment, and (ii) used on trips during which the number of employees transported for commuting is at least 50 percent of the adult seating capacity (not including the driver). These requirements are sometimes referred to as the "80/50 requirement".[11]

The treatment for 2020 under this FAQ is described as follows:

> If, at the beginning of the 2020 calendar year, the employer reasonably expected that at least 80 percent of the vehicle's mileage for the year would be used to transport employees from their residences to their place of employment and that the number of employees transported in the vehicle would be at least 50 percent of the adult seating capacity of the vehicle (excluding the driver), but due to the COVID-19 emergency these requirements were not satisfied, then, provided the seating capacity is at least 6 adults (not including the driver), the vehicle would be considered a "commuter highway vehicle" within the meaning of section 132(f)(5)(B) for the duration of 2020. For this purpose, the COVID-19 emergency is considered to have commenced on March 13, 2020, the date of the President's emergency declaration.
>
> …
>
> If the employer reasonably expected the vehicle to meet the 80/50 requirement at the beginning of the 2020 calendar year, then the value of van pool transportation provided by an employer to its employees and cash reimbursements from an employer to its employees for expenses incurred in connection with an employee-operated van pool may be excluded from the employee's gross income as a qualified transportation fringe benefit for the 2020 calendar year, up to $270/month, provided the other requirements of section 132(f) are satisfied.[12]

SECTION: 6011
IRS TO EXPAND OPT-IN IP PIN PROGRAM NATIONWIDE IN EARLY 2021

Citation: "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to

[11] "Frequently Asked Question about COVID Relief for Van Pools," IRS webpage, December 3, 2020

[12] "Frequently Asked Question about COVID Relief for Van Pools," IRS webpage, December 3, 2020

taxpayers nationwide," IRS News Release IR 2020-267, 12/2/20

As part of the National Tax Security Awareness Week, the IRS announced that the Identity Protection PIN (IP PIN) opt-in program will be expanded to taxpayers nationwide in 2021.[13]

The IP PIN program is one that the IRS began offering a number of years ago to certain taxpayers who had encountered tax-related identity theft, later expanding it to taxpayers who elected to opt into the program in certain states that had more significant levels of tax related identity theft. The IRS had expanded the opt-in program to additional states since then, and in the Taxpayer First Act of 2019 Congress had directed the agency to expand the opt-in program nationwide.

The IRS release describes the IP PIN program as follows:

> The IP PIN is a six-digit number assigned to eligible taxpayers to help prevent the misuse of their Social Security number on fraudulent federal income tax returns. An IP PIN helps the IRS verify a taxpayer's identity and accept their electronic or paper tax return. The online Get An IP PIN tool at IRS.gov/ippin immediately displays the taxpayer's IP PIN.
>
> "When you have this special code, it prevents someone else from filing a tax return with your Social Security number," said IRS Commissioner Chuck Rettig. "The fastest way to get an Identity Protection PIN is to use our online tool but remember you must pass a rigorous authentication process. We must know that the person asking for the IP PIN is the legitimate taxpayer."[14]

The IRS notes that those asking to opt-in to be part of the program will be required to confirm their identity using one of several techniques. Information about the secure registration process is found at https://www.irs.gov/individuals/secure-access-how-to-register-for-certain-online-self-help-tools.[15]

For taxpayers who cannot manage to verify their identity in the above manner, the IRS provides the following information in the News Release:

> For those who cannot pass Secure Access authentication, there are alternatives. Taxpayers with incomes of $72,000 or less and with access to a telephone should complete Form 15227 and mail or fax it to the IRS. An IRS assistor will call the taxpayer to verify their identity with a

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[13] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267, December 2, 2020, https://www.irs.gov/newsroom/national-tax-security-awareness-week-day-3-irs-expands-identity-protection-pin-opt-in-program-to-taxpayers-nationwide (retrieved December 5, 2020)

[14] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267

[15] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267

> series of questions. For additional security reasons, taxpayers who pass authentication will receive an IP PIN the following tax year.
>
> Taxpayers who cannot verify their identities remotely or who are ineligible to file a Form 15227 may make an appointment, visit a Taxpayer Assistance Center and bring two forms of picture identification. Because this is an in-person identity verification, an IP PIN will be mailed to the taxpayer within three weeks.[16]

The agency warns taxpayers who receive the IP PIN that they should never share this code with anyone except their trusted tax provider, and that the IRS will never call to request their IP PIN. Taxpayers are warned that they must be alert to IP PIN scams[17] as those seeking to commit tax related identity theft would likely wish to be able to trick the taxpayer into disclosing that number.

The IRS provides the following list of items taxpayers should know about the IP PIN before applying:

- The Get an IP PIN tool will be available in mid-January. This is the preferred method of obtaining an IP PIN and the only one that immediately reveals the PIN to the taxpayer.
- Taxpayers who want to voluntarily opt into the IP PIN program do not need to file a Form 14039, Identity Theft Affidavit.
- The IP PIN is valid for one year. Each January, the taxpayer must obtain a newly generated IP PIN.
- The IP PIN must be properly entered on electronic and paper tax returns to avoid rejections and delays.
- Taxpayers with either a Social Security number or Individual Tax Identification Number who can verify their identities are eligible for the opt-in program.
- Any primary taxpayer (listed first on the return), secondary taxpayer (listed second on the return) or dependent may obtain an IP PIN if they can pass the identity proofing requirements.
- The IRS plans to offer an opt out feature to the IP PIN program in 2022 if taxpayers find it is not right for them.[18]

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[16] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267

[17] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267

[18] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267

The release notes that there is no change in the IP PIN program for those who are confirmed victims of tax-related identity theft. As the release continues:

> Those taxpayers should still file a Form 14039 if their e-filed tax return rejects because of a duplicate SSN filing. The IRS will investigate their case and once the fraudulent tax return is removed from their account, confirmed victims automatically will receive an IP PIN via postal mail at the start of the next calendar year.
>
> IP PINs will be mailed annually to confirmed victims only and participants enrolled prior to 2019. Because of security risks, confirmed identity theft victims cannot opt out of the IP PIN program. Confirmed victims also can use the Get an IP PIN tool to retrieve lost IP PINs assigned to them.[19]

SECTION: FBAR REPORTING
ON REMAND, DISTRICT COURT FINDS OBJECTIVE EVIDENCE SHOWS TAXPAYER WILLFULLY FAILED TO REPORT FOREIGN ACCCOUNT ON FBAR REPORT

Citation: Bedrosian v. United States, Case No. 2:15-cv-05853, E.D. Pa., 12/4/20

After the Third Circuit Court of Appeals remanded the case of *Bedrosian v. United States*[20] to the United States District Court for the Eastern District of Pennsylvania, the District Court concluded that, although the court had originally found Mr. Bedrosian had not willfully failed to report one of his Swiss bank accounts on his FBAR form, when applying the objective standard the appeals panel concluded was the proper standard, that Mr. Bedrosian's conduct did amount to a willful failure to file the FBAR report.[21]

The difference was significant—if Mr. Bedrosian had willfully failed to report the account, the penalty due would increase from just under $9,800 to just over $1,007,000. In the original case[22] the District Court had concluded that, based on an analysis of Mr. Bedrosian's subjective intent, the failure to report the account was not willful.

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[19] "National Tax Security Awareness Week, Day 3: IRS expands Identity Protection PIN Opt-In Program to taxpayers nationwide," IRS News Release IR 2020-267

[20] We had discussed the original opinion that found there was no willfulness when it was published in 2017. See Ed Zollars, CPA, "Taxpayer Found Not to Have Willfully Filed Erroneous FBAR Report," *Current Federal Tax Developments* website, September 24, 2017, https://www.currentfederaltaxdevelopments.com/blog/2017/9/24/u120i95gywykw2uwy6mmnkflsj921m

[21] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)

[22] *Bedrosian v. United States*, No. 15-5853, 2017 WL 4946433 (E.D. Pa. Sept. 20, 2017)

The opinion notes that the appellate panel outlined the following test to be applied to determine if Mr. Bedrosian's conduct was not merely negligent, but was willful in this context:

> The Third Circuit noted that "a person commits a reckless violation of the FBAR statute by engaging in conduct that violates an objective standard: action entailing an unjustifiably high risk of harm that is either known or so obvious that it should be known." *Bedrosian II*, 912 F.3d at 153 (quotations omitted). It then referenced the test for recklessness in other tax contexts as the test that should be applied here:
>
> > With respect to IRS filings in particular, a person "recklessly" fails to comply with an IRS filing requirement when he or she "(1) clearly ought to have known that (2) there was a grave risk that [the filing requirement was not being met] and if (3) he [or she] was in a position to find out for certain very easily." *United States v. Carrigan*, 31 F.3d 130, 134 (3d Cir. 1994) (quoting *United States v. Vespe*, 868 F.2d 1328, 1335 (3d Cir. 1989)) (alterations in original).
>
> *Bedrosian II*, 912 F.3d at 153. As this quotation shows, the Third Circuit did not rely on any FBAR precedents. The Third Circuit directed this Court to consider other cases in the taxation realm, which had found that certain taxpayer conduct was "willful" because it satisfied an objective standard of recklessness, as well as cases from other circuits which have applied this test in the FBAR context.[23]

The opinion notes that the Government, in its reply filed for the case on remand, pointed out a number of facts that the Court agreed supported an objective finding that Mr. Bedrosian's conduct was reckless:

> 1. Bedrosian's cooperation with the Government, which this Court emphasized as negating willfulness, began only after he was exposed as having hidden foreign accounts.
>
> 2. Shortly after filing the 2007 FBAR, Bedrosian sent two letters to his Swiss bank directing closure of two accounts, but only one of these accounts had been disclosed on his FBAR. The second account was moved to a different Swiss bank and the funds were not repatriated to the United States.
>
> 3. Bedrosian does not dispute he saw an article in *The Wall Street Journal* about the federal government tracing mail coming into the United States and was therefore alerted to the possibility of the United States finding out about his foreign bank accounts if the bank sent information through the mail.

[23] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)

> 4. Bedrosian's Swiss accounts were subject to a "mail hold." He does not dispute the existence of the mail hold or that he signed a form and paid a fee to the bank for this benefit. The Government relies on this point of evidence for the fact that Bedrosian paid a fee for a service, the purpose of which was to prevent correspondence from the foreign bank being tracked by the IRS.
>
> 5. Bedrosian also acknowledged that he was aware of the significant amount of money held in his foreign bank accounts.[24]

The opinion also notes the following findings by the Court in its original opinion that, when subjected to the objective test, also provide evidence of a willful failure to report the account:

> …(1) the inaccurate form itself, lacking reference to the account ending in 6167, (2) the fact that he may have learned of the existence of the second account at one of his meetings with a UBS representative, which is supported by his having sent two separate letters closing the accounts, (3) Bedrosian's sophistication as a businessman, and (4) Handelman's having told Bedrosian in the mid-1990s that he was breaking the law by not reporting the UBS accounts.[25]

The opinion cited the case of *United States v. Horowitz*[26] as being closest in facts to this case. The opinion summarized that case as follows:

> In *Horowitz*, the Court found several circumstances which warranted a finding of willfulness. First, the Court explained that the defendants knew their interest income from domestic bank accounts was taxable and that their foreign income was taxable, and it would make no sense to conclude that foreign interest was not taxable. 978 F.3d at 89-90. Next the Court found that the foreign account was set up with "'hold mail' service, which the bank knew would and did assist U.S. clients in concealing assets and income from the IRS." *Id.* at 90. Even though defendants denied requesting this service, the Court noted they would have become aware of it. *Id.* The Court also noted that the amounts in the account were significant and thus not "susceptible to being overlooked." *Id.* Lastly, the Court noted that they answered "no" to a question on their tax returns asking whether they had a foreign bank account. *Id.* Even if they did not review the returns, they signed them "representing to the IRS, under the penalties of perjury, that the returns were accurate." *Id.*[27]

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[24] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)

[25] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)

[26] *United States v. Horowitz*, 978 F.3d 80 (4th Cir. 2020)

[27] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)

The court goes on to compare the cases as follows:

> In *Horowitz*, the Fourth Circuit found that even if the Horowitzes were not aware of the FBAR reporting requirement, based on their knowledge of taxes on interest income, it did not make sense for them to conclude that their foreign accounts would not be taxed. Here, Bedrosian knew about the FBAR requirement because his prior accountant told him about it. The Fourth Circuit also noted that the Horowitzes used "hold mail" service, as did Bedrosian. The Horowitzes had a significant amount of money in their accounts, which the Court found meant the accounts were not easily overlooked. The amount in their account was comparable to the amount in Bedrosian's accounts (around $1.6 million compared to around $1.9 million). Lastly, the Fourth Circuit found that even if the Horowitzes did not review their taxes, they signed them and were thus representing their answers to the government under penalty of perjury. Bedrosian also claims to not have reviewed his FBAR closely, but he like the Horowitzes signed the form.[28]

Not having reviewed the return is not a defense for Mr. Horowitz's failures to report the account. The opinion continues, noting that such a failure demonstrated a level of recklessness that indicates willfulness objectively given his general awareness of what his income level was, as well as the value of his investment accounts:

> While the majority of cases applying the recklessness test do not concern FBAR filings, they emphasize the importance of how an individual's general awareness of a business's operations can impact the analysis of willfulness when it comes to evaluating their actions. These cases generally suggest that when a taxpayer is responsible for reviewing tax forms and signing checks, the taxpayer is responsible for errors that would have been apparent had they reviewed such forms and checks closely. In this instance, if Bedrosian had looked at the forms he signed, it is reasonable to conclude that he should have noticed the amount stated for the accounts was not accurate. On the 2007 FBAR, the box indicating that there is less than one million dollars in his account is checked. During trial, the following exchange occurred:
>
> > Q. Your UBS accounts had more than $10,000 in them in 2007?
> >
> > A. Oh, absolutely. Yes.

[28] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)

> Q. In fact, you knew that your 6167 account had over 1 million dollars in it?
>
> A. I'm sorry, you keep confusing me with the account number, but a 236.167, yes, had over a million dollars in it. That was the main account.

> Even if Bedrosian did not know that there were two accounts, the stated amount should have prompted him to investigate further, which he could have done easily by contacting the bank. Further, based on Third and Fourth Circuit precedent, claiming to not have reviewed the form does not negate recklessness. Thus, the Court can infer that Bedrosian had reason to know of his second overseas account and that he did not disclose it.
>
> Of importance here as well are the undisputed facts that Bedrosian received advice from his tax preparer that he was breaking the law by not reporting his overseas bank accounts and that he was a sophisticated and successful businessman. Bedrosian knew or should have known the form which he signed was inaccurate.[29]

Thus, the Court concluded that Mr. Bedrosian did willfully fail to report the account, with the impact that the penalty he owes would increase by nearly $1 million.

[29] *Bedrosian v. United States*, Case No. 2:15-cv-05853, (E.D. Pa. Dec. 4, 2020)