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Catholic Priest Gets Prison For Tax Evasion: Don't Lie To IRS

A Catholic priest for the Roman Catholic Diocese of San Jose, California was [sentenced to 36 months](#) in prison for tax evasion and bank fraud. The case provides cautions about how to respond to IRS questions. Father Hien Minh Nguyen, age 56, admitted that over a period of four years, he [stole money from his parishioners](#) they donated to the Diocese of San Jose. And, from 2008 through 2011, he willfully evaded paying income taxes on it. The money was for the church, but Father Nguyen [admitted](#) that he deposited it into his personal bank account. Then, he did not tell his income tax return preparer about it. He did not keep records of the donations he stole, and he filed false income tax returns that did not report the money.



In addition to the term of prison imposed, the court ordered Father Nguyen to serve three years of supervised release, and to pay a total of \$1,883,883 in restitution, including \$434,518 to the IRS. Father Nguyen previously pleaded guilty to tax evasion and was

convicted of bank fraud following a bench trial. Before Father Nguyen admitted to the tax evasion and pleaded guilty, he was visited by the IRS, and he started talking. Agents from the IRS Criminal Investigation Division showed up unexpectedly and asked to interview him. The IRS agents said that Father

Nguyen was not legally required to submit to the interview. They informed him that he had the legal right not to answer questions.

But how bad could it be, he must have thought? His first mistake was in agreeing to the interview. He should have politely taken their business cards, and said that his lawyer would call them. But Father Nguyen tried to talk his way out of the awkward situation. And as the IRS certainly noticed, Father Nguyen then proceeded to give inconsistent and conflicting answers. The IRS even asked him about his waffling responses to questions. As he may have gotten a bit rattled, Father Nguyen asked for a break. Yet even after the break, Father Nguyen went back to answering the IRS's questions.

Once again, he gave inconsistent answers, and responses that it later become clear were replete with untrue statements. Father Nguyen's lawyer would later claim that the IRS had tricked, deceived, or coerced the Priest. His lawyer was trying to keep out of evidence the damning statements the Priest had made to the IRS. But it was no use. The court was satisfied that the IRS had done what it was required to do, and that Father Nguyen had not been tricked, deceived, or coerced. That part of the case appears [here](#). It is important to remember that there is a part of the IRS that is [criminal](#). If you are visited by IRS Criminal Investigation Division Special Agents, you should consult with an attorney. You are not legally required to talk to them.

In fact, the [Fifth Amendment to the U.S. Constitution](#) guarantees your right against self-incrimination. You may believe that by answering a few simple questions you will not hurt yourself or your position—especially if you are just a witness. Don't be so sure. Regardless of how adept you are at communication, speaking up may help the IRS build a criminal case against *you*. The IRS may (quite honestly) tell you that you are not the target of the investigation and merely a witness. Even so, you are entitled to retain counsel.

In the early stages of IRS criminal investigations, a person may be told he or she is a witness. You may therefore think there's no harm in being forthcoming. You might assume your cooperation will make it more likely that the IRS will appreciate you and leave you alone. However, as the investigation continues, a witness can become a target. Even if you are convinced you are merely a witness and will remain so, the U.S. Supreme Court has ruled that you have the right to assert your constitutional privilege against self-incrimination. See [Bellis v. United States](#).

If you are approached and questioned by a Special Agent, ask for his or her business card. Firmly but politely state that you do not want to answer any questions, and that you will have your attorney contact the Special Agent. You can fully cooperate through your attorney. This may sound paranoid, but the ramifications of getting flustered and running off at the mouth can be serious. Particularly given the fluid nature of who is a witness and who is a target, even statements you think sound innocent may not be.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.