



**May 11, 2011**

## Tax Happenings

### **IRS Reviews Loans to Alameda Corridor East**

In a routine review, the IRS is looking into \$20 million in loans used by Alameda Corridor East Construction Authority since 2005. The review of the fund was randomly chosen.

The IRS requested a large number of financial documents related to the fund. The organization regularly receives 'commercial paper payments' – which function like loans – to pay for projects with the promise of repaying the loans with future grant money. And the IRS regularly keeps such organizations in check to ensure they do not request more than is necessary from fund providers or hold on to the loans longer than needed.

On February 17, the IRS sent a letter to Alameda Corridor East requesting for financial information. Alameda informed the board of directors about the matter on April 25 and replied to the letter the following day. The IRS has yet to respond to the request for comment.

The money in question was requested periodically since 2005 to pay for grade separation projects, that included the Nogales Street Project, a project on Ramona Boulevard in El Monte, Brea Canyon Road on the

border of Industry and Diamond Bar, and Sunset Avenue in Industry, among others.

Alameda CEO Rick Richmond said this type of funding process was used in the majority of the organization's projects. He also added that Alameda has never failed to pay off its commercial paper payments.

### **More Phishing Emails**

According to the IRS Michigan, there has been a phishing scam going on during the first week of May. In this scam, emails are sent supposedly from the IRS that entice the taxpayers into opening them with the news that they are entitled to a tax refund. IRS Michigan spokesman Luis Garcia said the refund sum is approximately \$68. The email would say that due to an error, the taxpayer is entitled to a refund.

The emails that appear very genuine, send the reader to a website that bears the IRS logo and formal-looking details. If you read on, you will be asked to furnish personal details such as your name, PIN number, mother's maiden name, among other things. These details are those that the IRS would never request for as they have no use of them.

The emails also would get you to click on some link that downloads spying software or a virus capable of stealing your information. At other instances, the emails in addition to filching your money, may acquire enough of your details to make a fake income tax submission in your name.

You can be sure of this – the IRS never contacts anyone by email so do not respond to any such emails purportedly from the IRS.