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## Tribe Told to Give Details of Finances to IRS

The IRS is demanding details of accounting records from the Miccosukee tribe to determine if taxes were adequately paid. The West Miami-Dade tribe has been distributing millions of dollars of gambling profits to its members. As part of its expanding investigations, the IRS is asking for savings, checking and credit card information of four major financial institutions that have dealings with the 650 member tribe between 2006 and 2009, among other things.

The IRS issued a summons to the tribe, the scope of which far exceeds the other summons issued to tribal leader Billy Cyprus for unreported credit card transactions from 2003 to 2005. The Miccosukee tribe agreed to deliver financial records from Morgan Stanley Smith Barney after a judge ruled that the tribes sovereign immunity did not shield it from obligations to the federal government. Lawyers for the tribe appealed to US District judge Alan S. Gold to overrule the decision but he refused. This has empowered the IRS to seek for more financial records for a longer period of time to investigate the payment of taxes by tribal members.

The IRS summonses are more wide-ranging than earlier ones because they demand 'all documents pertaining to the Miccosukee tribe in any capacity'.

The IRS believes that Billy Cyprus was only the tip of the iceberg. As a sovereign nation, all tribes are not subject to taxes but individual members of the tribes are to pay taxes on the income they gain from their respective tribes. Both the IRS and Justice Department have declined to comment.

Lawyers for the tribe cited the Miccosukee sovereign immunity in attempts to block the IRS' civil summonses. This time the summonses are seeking financial disclosure of all financial transactions involving everyday operations, investments and businesses. This could include not only the tribal council members but also ordinary tribal members with accounts at the four financial institutions which are Wachovia, Morgan Stanley, Citibank and American Express.

The Miccosukee lawyers argue that the scope of the summonses is too wide and that it improperly seeks privileged personal information that is not relevant to the enforcement of tax laws.

In 2005, the IRS launched an investigation into the distribution of gambling profits by the Miccosukee tribe which led to the deeper investigation into the spending of Billy Cyprus using credit cards for gambling at Las Vegas, Foxwoods, Conn. and Biloxi, Miss. In that investigation, the IRS found that Cyprus misappropriated funds of the tribe for his own use including making 'high end purchases' without making tax returns.