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IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF UTAH

INTERNATIONAL AUTOMATED	)	
SYSTEMS, INC.	)	Case No. 2:16-cv-00370-JNP
	)	
Petitioner,	)	DECLARATION OF REVENUE
	)	AGENT JOEL ZIELKE
v.	)	
	)	
UNITED STATES OF AMERICA,	)	
	)	
Defendant.	)	
	)	

I, Joel Zielke, pursuant to the provisions of 28 U.S.C. § 1746, declare as follows:

1. I am a duly commissioned Revenue Agent employed by the Internal Revenue Service (IRS) in the Small Business Self-Employed Division in Salt Lake City, Utah.

2. As part of my duties as a Revenue Agent and pursuant to 26 U.S.C. § 7602, 26 C.F.R. §301.7602-1, 26 C.F.R. § 301.7602-1T, and Internal Revenue Service Delegation Order No. 25-

1, I am authorized to issue administrative summonses.

3. In my capacity as a revenue agent, I am conducting an examination into the federal corporate income tax liabilities of Petitioner, International Automated Systems, Inc. (hereinafter "IAS"), for the taxable year ending June 30, 2013.

4. During an examination of Neldon and Glenda Johnson, I received documents pursuant to a summons to Zions Bank and Bank of American Fork. *See* Declaration of Revenue Agent Joel Zielke, filed in *Neldon and Glenda Johnson v. United States*, Civil No. 2:15-cv-00742 JNP, Doc No. 5. Pursuant to the summonses served on Zions Bank and Bank of American Fork, I received bank documents involving Neldon and Glenda Johnson and IAS, including a cashier's check from an account at Zion's Bank made payable to Glenda Johnson and deposited into an account for IAS at Bank of American Fork. In addition, the bank documents revealed that IAS had an account at Wells Fargo Bank. As a result of that examination, I opened an examination of IAS for the tax year ending June 30, 2013. On February 24, 2016, I sent a letter and an Information Document Request (IDR -0001) to the Petitioner which requested the petitioner to contact me to schedule a meeting to review the records set forth in IDR-0001. A copy of the letter and IDR-0001 are attached hereto as Exhibit 1. I did not get a response to my February 24, 2016 letter.

5. On March 11, 2016, I sent a letter to the Petitioner requesting again that the Petitioner contact me to schedule a meeting to review the records requested in IDR-0001 within the next two weeks. I did not get a response to my March 11, 2016 letter.

6. An important part of the examination of IAS for the tax year ending June 30, 2013, is verifying IAS' income. Bank records, such as bank statements, deposit slips and debit and credit memos assist in determining not just the amount of money that goes into a taxpayer's bank account, but whether the deposited funds are taxable income. Verifying the amount and nature

of IAS' expenditures is also important to determining what deductions IAS is entitled to claim. Bank records, such as cancelled checks, assist in determining whether the expenses were deductible.

7. On April 14, 2016, in furtherance of the examination and in accordance with 26 U.S.C. §§ 7602 and 7603, I issued IRS administrative summonses to Zions Bank, Wells Fargo Bank and Bank of American Fork. Each summons directed the receiving bank to produce "copies of signature cards, monthly bank statements, bank deposits slips, deposit items, credit memos, cancelled checks, and debit memos drawn on accounts which International Automated Systems, Inc (TIN #xx-xxx7580) owns for the period June 2012-July 2013." A true and complete copy of the Zions Bank summons is attached as Exhibit 3. A true and complete copy of the Wells Fargo Bank summons is attached as Exhibit 4. A true and complete copy of the Bank of American Fork summons is attached as Exhibit 5.

8. In accordance with 26 U.S.C. §7603, I served an attested copy of each of the summonses attached to this Declaration on IAS by certified mail. A true and complete copy of the certificate of service is included as part of each of the summonses attached to this Declaration.

9. Although pursuant to a prior summons on Zions Bank and Bank of American Fork with regard to Neldon Johnson and Glenda Johnson's 2012 tax year, the IRS received bank records for the period from June 2012 through January 2013, on accounts of IAS for which the Johnsons were signatories, the IRS did not receive any bank records of IAS for the period from February 2013 through July 2013. In addition, the IRS did not receive any Zions Bank or Bank of American Fork records for IAS for which the Johnsons are not signatories.

10. The IRS did not possess any of the information or documents requested in the summons to Wells Fargo Bank.

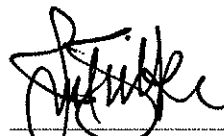
11. The banking records sought by the summonses are relevant to the examination because they may demonstrate the date, amount and source of deposits made into IAS' bank accounts for the tax year ending June 30, 2013. In turn, that information is relevant to what IAS' income was for that year. The bank records may also be relevant because they demonstrate the date, amount, and nature of expenditures made from those bank accounts during IAS' tax year ending June 30, 2013. That information is relevant to what deductions IAS was entitled to claim for that year.

12. All administrative steps required by the Internal Revenue Code for issuance of the summons described above have been taken.

13. No Justice Department referral, as defined by 26 U.S.C. § 7602(d)(2), is in effect for IAS.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 11<sup>th</sup> day of July, 2016.



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Joel Zielke  
Revenue Agent  
Internal Revenue Service

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the foregoing DECLARATION OF REVENUE AGENT JOEL ZIELKE has been made this 11<sup>th</sup> day of July, 2016, via the Court's CM/ECF system to:

Paul W. Jones, Esq.  
*Attorney for Plaintiffs*

Zions Bank  
Legal Department  
1875 S Redwood Road  
Salt Lake City, UT 84104

Bank of American Fork  
P.O. Box 307  
American Fork, UT 84003

Wells Fargo Bank  
2700 S. Price Road, 2<sup>nd</sup> Floor  
Chandler, AZ 85286

/s/ Virginia Cronan Lowe  
VIRGINIA CRONAN LOWE  
Trial Attorney, Tax Division  
United States Department of Justice