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IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF UTAH

DCL16BLT, INC.)	
)	Case No. 2:16-cv-00754-DN
Petitioner,)	
)	DECLARATION OF REVENUE
v.)	AGENT JOEL ZIELKE
)	
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, DCL16BLT, Inc., for the taxable years ending December 31, 2012, December 31, 2013, and December 31, 2014.

4. During an examination of the federal income tax liabilities of Neldon and Glenda Johnson, I received documents pursuant to summonses issued to Zions Bank and Millard County Credit Union with regard to an entity named RaPower-3 LLC, for which Neldon Johnson was the signatory on bank accounts. I searched for the entity RaPower-3 LLC on the Integrated Data Retrieval System (IDRS). The IDRS is a database maintained by the Internal Revenue Service that stores taxpayer account information. IDRS indicated that RaPower-3 LLC is a disregarded entity for federal tax filing purposes as it is wholly owned by DCL16BLT, Inc., a corporation with federal corporate income tax filing obligations. DCL16BLT, Inc. is the sole member of RaPower-3 LLC and has the same mailing address of DCL16BLT, Inc., 4035 S 4000 West, Delta, UT 84624. Any income received by RaPower-3 LLC would flow through and be reported on the corporate income tax return for DCL16BLT, Inc. A review of the IDRS revealed that DCL16BLT, Inc. had not filed a federal corporate income tax return for 2012.

5. On January 13, 2016, I sent a letter to DCL16BLT, Inc. informing it that I was conducting an examination of its 2012 tax year for which it had not filed a Form 1120, U.S. Corporation Income Tax Return. I scheduled a conference with DCL16BLT, Inc. for January 27, 2016 and requested that if this date was inconvenient to call me. DCL16BLT, Inc. failed to appear at the conference or to contact me with regard to the examination.

6. On January 27, 2016, I sent DCL16BLT, Inc. a second letter requesting a meeting with it and I also issued a Form 4564, Information Document Request (IDR) to DCL16BLT, Inc., which requested financial statements, detailed general ledger, bank statements and credit card statements for tax year 2012. I requested that DCL16BLT, Inc. provide the information to me by February 10, 2016. I did not receive a response to this letter or the IDR.

7. On March 2, 2016, I sent DCL16BLT, Inc. a letter with regard to my request for a meeting and the IDR issued to it on January 27, 2016. I requested that DCL16BLT, Inc. respond to the request for a meeting and the IDR by March 17, 2016. In addition, I informed DCL16BLT, Inc. that if I did not hear back that I may issue a summons.

8. On May 24, 2016, I sent a letter to DCL16BLT, Inc. to inform it that the examination had been expanded to include the 2013 and 2014 tax years. In addition, I attached a second IDR and requested that the documents requested in this IDR be provided to me by June 15, 2016. In this letter, I also explained that after repeated requests to review records, I issued summonses to obtain bank records. After reviewing the bank records provided by Zions Bank, Millard County Credit Union, and Zions Bank I prepared a bank deposit analysis, which listed the deposits made into its business bank accounts. According to this analysis, \$4,342,867.65 was deposited into business bank accounts in 2012, and of that amount, \$508,579.80 was identified as being non-taxable deposits. In the IDR, I requested that DCL16BLT, Inc. explain the remaining \$3,834,287.85 of deposits made into the business bank accounts in 2012. I requested a response by June 15, 2016. I did not get a response to the May 24, 2016 letter or the second IDR.

9. An important part of the examination of DCL16BLT, Inc. for the tax years ending December 31, 2012, December 31, 2013, and December 31, 2014, is verifying DCL16BLT, Inc.'s 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 DCL16BLT, Inc.'s expenditures is also important to determining what deductions DCL16BLT, Inc. is entitled to claim. Bank records, such as cancelled checks, assist in determining whether the expenses were deductible.

10. On June 16, 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 Millard County Credit Union. 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 DCL16BLT, Inc. (TIN #xx-xxx1997), or its wholly owned limited liability company, RaPower-3 LLC (TIN # XX-XXX2043) owns for the period December 2012-January 2015.” The summonses were served by certified mail on June 20, 2016. A true and complete copy of the Zions Bank summons is attached as Exhibit 1. A true and complete copy of the Wells Fargo Bank summons is attached as Exhibit 2. A true and complete copy of the Millard County Credit Union summons is attached as Exhibit 3.

11. In accordance with 26 U.S.C. §7609, I served an attested copy of each of the summonses attached to this Declaration on DCL16BLT, Inc., the taxpayer and the sole member of RaPower-3 LLC, at 4035 S 4000 West, Delta, UT 84624, by certified mail on June 20, 2016. A true and complete copy of the certificate of service is included as part of each of the summonses attached to this Declaration.

12. Although pursuant to a prior summons on Zions Bank and Millard County Credit Union with regard to Neldon Johnson and Glenda Johnson’s 2012 tax year, the IRS received bank records for the period from December 2012 through January 2013, on accounts of DCL16BLT, Inc. and its wholly owned subsidiary RaPower-3 LLC for which the Johnsons were signatories, the IRS did not receive any bank records of DCL16BLT, Inc. or RaPower-3 LLC for the period from February 2013 through January 2015. In addition, the IRS did not receive any

Zions Bank and Millard County Credit Union records for DCL16BLT, Inc. or RaPower-3 LLC for which the Johnsons are not signatories.

13. The IRS does not possess any of the information or documents requested in the summonses to Wells Fargo Bank.

14. 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 DCL16BLT, Inc.'s bank accounts for the tax year ending December 31, 2013 and December 31, 2014. In turn, that information is relevant to what DCL16BLT, Inc.'s income was for these years. The bank records may also be relevant because they demonstrate the date, amount, and nature of expenditures made from those bank accounts during DCL16BLT, Inc. tax years ending December 31, 2013 and December 31, 2014. That information is relevant to what deductions DCL16BLT, Inc. was entitled to claim for these years.

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

16. No Justice Department referral, as defined by 26 U.S.C. § 7602(d)(2), is in effect for DCL16BLT, Inc..

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

Executed this 14th day of September, 2016.



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 14th day of September, 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

Wells Fargo Bank
2700 S. Price Road, 2nd Floor
Chandler, AZ 85286

Millard County Credit Union
109 S 300 East
Delta, UT 84624

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