



Last week, we received a letter that purported to be from the “Tax Processing Unit – Tarrant County Public Judgment Records.” The letter surprised us because it was in a form that we had not previously encountered and we could not readily identify which taxing authority was seeking payment. It is common for a client to have issues with multiple taxing authorities, e.g., the Internal Revenue Service (IRS), the Texas Comptroller of Public Accounts and various County Tax Assessors-Collectors and it is common for each of the taxing authorities to send collection notices. However, this letter titled “Distraint Warrant” immediately caught our eye, as it was not a common collection notice. The letter looks like this:

Tax Processing Unit
Tarrant County Public
Judgement Records
TOLL FREE: 1(800)561-0124

[Redacted]
[Redacted]
[Redacted]

Date: December 18 2019
Letter ID: [Redacted]

Distraint Warrant

This warrant has been issued against the above-named debtor(s) because of the tax debt that has not been paid in full. This isn't an arrest warrant. This warrant serves the same function as a court judgment. The Federal Tax Authorities uses the warrant in collection action, such as garnishment of wages and bank accounts, property seizures, federal tax refund offset, and creation of a property lien. To avoid enforcement, call 1(800)561-0124 by 12/18/2019.

NOTE: Interest will continue to accrue until the \$124,979 balance is paid in full by due date.

This warrant acts as a judgment against the debtor(s) and is a lien on any property now owned or acquired in the future until the debt is paid in full. This letter has been sent to

[Signature]
ASSIGNED RESOLUTION AGENT SIGNATURE

Private Use Only
\$300 fine for misuse

Tax Processing Center
Filed in Tarrant TX

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 14554
LOS ANGELES, CA

75013

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On its face, it appears to be an official document, but it is missing a lot of the information that an actual notice would have. For example, it only has a phone number and not a mailing address. In addition, it is titled Distrainment Warrant, which is not a term used by the IRS, the Texas Comptroller of Public Accounts or County Tax Assessors-Collectors in Texas. Other telltale signs are the letter does not identify the tax owed or the tax period.

To investigate further, we called the toll-free number provided. The phone call began with a scratchy notice that warned for quality assurance this call may be recorded. It then followed with a scratchy version of the music played by the IRS while someone waits on hold. When the phone call went through (which it did in under 30 seconds), it was answered by Mike. He did not provide a badge number or ask if we had a power of attorney on file (as the IRS is required to do). When we asked about the Letter ID, Mike hung up.

Had our client called instead of us, Mike would have aggressively demanded a credit card payment over the phone and confidential information like our client's social security number, so that Mike could carry on other frauds including identity theft. If there is ever any doubt about the legitimacy of a notice, contact a tax attorney.

ABOUT THE AUTHORS



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Board Certified in Tax Law by the Texas Board of Legal Specialization and Leader of Gray Reed's Tax Controversy Practice Group, David Gair focuses his practice on guiding businesses, high-net-worth individuals and tax professionals through all types of complex civil and criminal tax controversies, everything from audits and litigation to investigations and collection matters. Whether his client is an international corporation involved in multi-million-dollar tax litigation or a domestic partnership battling an audit for the first time, David's goal is to find the most effective way to protect them and minimize taxes to the full extent of the law.



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Leader of Gray Reed's State and Local Tax Practice Group, Isreal Miller is a tax attorney focused on advising clients in state and local taxation matters and resolving related audits and litigation, primarily involving Texas sales and use tax, franchise tax and ad valorem taxes. Before joining Gray Reed, Isreal served for five years as a trial attorney for the Texas Comptroller of Public Accounts, where he personally handled over 1,700 cases, including over 850 cases litigated at the State Office of Administrative Hearings. He is Board Certified in Tax Law by the Texas Board of Legal Specialization, a Certified Public Accountant, a Certified Financial Planner™ practitioner and a Personal Financial Specialist.