Taxpayer Name:	ACOSTA, ALEXANDRA	**Examiner:**	Kampmeyer, Phyllis
TIN:	[redacted]		
Tax Form:	1040	**Date: 04/01/2021**	
Tax Year(s):	2018, 2019		

CIVIL PENALTY LEAD SHEET

In every deficiency and/or erroneous claim for refund or credit case, the consideration of penalties (assertion/non-assertion) must be fully documented. Consideration of fraud, including fraud indicators, must be documented in all deficiency cases even if fraud is not pursued.

PENALTY ASSERTION

Complete a separate penalty lead sheet to fully document each penalty asserted (see Civil Penalty Job Aid), as well as each penalty proposed as an alternative position (IRM 4.10.8.11.5). Penalties requiring managerial approval per IRC 6751(b) must be approved on the Civil Penalty Approval Form (see separate worksheet) before the case closes from the group.

Exception: Approval is not required for additions to tax under IRC 6651 (except 6651(f) per the IRM), 6654, 6655, or any other penalty automatically calculated through electronic means.

Enter Penalty Asserted (Use drop down menu to select or enter manually)	WP Reference

PENALTY NON-ASSERTION

Documentation for non-assertion of applicable penalties must be on this lead sheet, a penalty lead sheet, or a supporting workpaper. "Applicable penalties" are defined in IRM 4.10.6.7.

Note: If the substantial understatement penalty is not asserted when there is a substantial understatement of tax under IRC 6662(d), group manager approval is required (see below).

Comments	WP Reference
TP was not educated in the field of taxes and no intentional disregard of rules or regulations was evident based on TP's oral testimony and all evidence provided related to the case. TP used and relied on Mr. Vilsaint Stlouis (ATAT promotion) as her preparer to file an accurate return based on her circumstances. TP provided all documentation that was requested by the preparer. TP believed in good faith that the tax return was accurate and compliant with the Tax Code. TP requested that no penalty be assessed given she did not know of the inaccurate figures that Mr. Stlouis placed on her Schedule C's. She does not know why Mr. Stlouis did not sign the 2018 return himself as he was the RP she worked with. (Reasonable cause granted based on Treasury Regulation 1.6664-4)	

Non-Assertion of Substantial Understatement Penalty Approval		
IRC 6662(d) Substantial Understatement	Year(s):	2018

Non-assertion of the substantial understatement penalty for the year(s) identified above is approved even though there is a substantial understatement of tax under IRC 6662(d) (IRM 20.1.5.2.3(7)).

Group Manager Signature:	Valerie D. Fitzgerald Digitally signed by Valerie D. Fitzgerald Date: 2021.04.01 12:35:38 -04'00'	Date:	04/01/2021

PREPARER/PROMOTER/MATERIAL ADVISOR PENALTIES	WP Reference
If the return was prepared by a tax return preparer, document the preparer's involvement in and responsibility for the preparation of the return. Caution: Do not document conclusions regarding the preparer's responsibility for errors and the assertion or non-assertion of return preparer penalties (IRM 4.10.9.7.10).	WP #:300-1.1

Taxpayer Name: ACOSTA, ALEXANDRA
TIN: [redacted]
Tax Form: 1040
Tax Year(s): 2018, 2019

Examiner: Kampmeyer, Phyllis

Date: 01/19/2021

CIVIL PENALTY APPROVAL FORM

PRIMARY POSITION

IRC Section and Penalty Name	Year(s)
6662(d) Substantial Understatement	2018
6662(c) Negligence	2019

ALTERNATIVE POSITION

IRC Section and Penalty Name	Year(s)
6662(c) Negligence	2018

I am the immediate supervisor, acting supervisor, or designated higher level official of the individual who made the initial determination of the penalties listed above and I personally approve them.

Signature of Approver: Digitally signed by S2FMB Date: 2021.01.21 15:19:20 -05'00'

Name and Title of Approver: Anthony DeCarvalho (Please print or type)

Date: 01/21/2021

Taxpayer Name:	ACOSTA, ALEXANDRA	**Examiner:**	Kampmeyer, Phyllis
TIN:	[redacted]		
Tax Form:	1040	**Date: 04/01/2021**	
Tax Year(s):	2018, 2019		

CIVIL PENALTY LEAD SHEET

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Enter Penalty Asserted (Use drop down menu to select or enter manually)	WP Reference

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IRC 6662(d) Substantial Understatement	Year(s):	2018
Non-assertion of the substantial understatement penalty for the year(s) identified above is approved even though there is a substantial understatement of tax under IRC 6662(d) (IRM 20.1.5.2.3(7)).		
Group Manager Signature: ______________	Date: ______________	

PREPARER/PROMOTER/MATERIAL ADVISOR PENALTIES	WP Reference
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Taxpayer Name:	ACOSTA, ALEXANDRA	**Examiner:**	Kampmeyer, Phyllis
TIN:	[redacted]		
Tax Form:	1040	**Date: 04/01/2021**	
Tax Year(s):	2018, 2019		

CIVIL PENALTY LEAD SHEET

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Non-Assertion of Substantial Understatement Penalty Approval

IRC 6662(d) Substantial Understatement	Year(s):	2018

Non-assertion of the substantial understatement penalty for the year(s) identified above is approved even though there is a substantial understatement of tax under IRC 6662(d) (IRM 20.1.5.2.3(7)).

Group Manager Signature: ______________________ Date: ______________

PREPARER/PROMOTER/MATERIAL ADVISOR PENALTIES	WP Reference
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Taxpayer Name: ACOSTA, ALEXANDRA
TIN: [redacted]
Tax Form: 1040
Tax Year(s): 2018, 2019

Examiner: Kampmeyer, Phyllis

Date: 01/19/2021

CIVIL PENALTY APPROVAL FORM

PRIMARY POSITION	
IRC Section and Penalty Name	**Year(s)**
6662(d) Substantial Understatement	2018
6662(c) Negligence	2019
ALTERNATIVE POSITION	
IRC Section and Penalty Name	**Year(s)**
6662(c) Negligence	2018

I am the immediate supervisor, acting supervisor, or designated higher level official of the individual who made the initial determination of the penalties listed above and I personally approve them.

Signature of Approver: ______________________

Name and Title of Approver: ______________________ **Date:** __________
(Please print or type)

Taxpayer Name:	ACOSTA, ALEXANDRA	**Examiner:**	Kampmeyer, Phyllis
TIN:	[redacted]		
Tax Form:	1040	**Date: 2/20/2024**	
Tax Year (s):	201812, 201912		

Initial Interview Questions and Notes

Please record any interview questions or notes below.

		Yes	No
Preparer Information	A. Was return prepared for compensation? *(If yes, complete remaining items.)*	x	
	B. Did the preparer sign the return and include the appropriate identification number(s)?	x	
	C. Did taxpayer receive a copy of return?	unknown	
	D. Did preparer negotiate refund?		x
	E. What information or documents did the T/P provide to the preparer?		

Comments: *(If either B or C is "No" consider preparer penalties.)(If D is "Yes" consider preparer penalties)*

12-17-2020: BSO deputy. R/E agent on the side.

TP has been having Mr. Stlouis prepare her return for 4-5 years. TP makes an appointment and goes to the Davie office. She takes her W-2 and F1099-MISC and F1098. She takes in some of the receipts for purchases (advertising), cc statements, gas receipts, supplies for home office, etc for the Schedule C expenses.

She and RP figured out the expense together. TP doesn't really know exactly how they come up with figures. She has a figure in her head as to what she spent and then she gives him her paperwork. She believes he analyzes it pretty well since she's there for a while. She says that the figure he puts on the Schedule C is pretty close to what she has in her head. She sat with Vilsaint Stlouis for 2018 and 2019. She does not know Jesus Medina who signed her 2018 return. She doesn't remember whether she received copies of the returns or not. She has not reviewed her returns since she got the L6323. She simply called the RP and he said he would take care of everything about the examination.

TP recalls that RP went over the returns with her each year, however, she can't recall if she had any questions about any part of them since it was a while ago.

TP paid via credit card. TP received direct deposits.

TP cannot recall if she signed anything.

TP states that RP told her if the IRS had questions, she should ask for his assistance and he would assist her.

After explaining some of the expenses on the 2018 Schedule C, TP reiterated that all figures and expenses on the Schedule C's are info that she and RP came up with together.

Taxpayer Name: ACOSTA, ALEXANDRA **Examiner:** Kampmeyer, Phyllis
TIN: [redacted]
Tax Form: 1040 **Date: 2/20/2024**

Tax Year (s): 201812, 201912

She did not leave it all to him.

TCO explained that she may have more questions in the future and TP agreed to answer them if needed.

		Yes	No
Prior IRS Contacts or Prior Audits	Was the taxpayer previously contacted by the IRS? *(If yes, list years and explain below.)*		X
	Has the taxpayer been previously audited? *(If yes, list years and explain below.)*		
	Do repetitive audit procedures apply?		
	Was amended return(s) filed? If "yes", when? (secure a copy from the T/P, check IDRS to see if posted)		X

Comments: *(Issues/Reasons)*

Required Returns	Go to Lead sheet 130-1.1

Initial Interview Questions and Notes

		Reported or None Received	Received but not Reported
Income Probe			
	Alimony	None	
	Bartering	None	
	• Income from exchange of personal services or merchandise		
	• Income from bartering clubs or organizations		
	Child Support	None	
	Commissions	Reported –	

Taxpayer Name: ACOSTA, ALEXANDRA **Examiner:** Kampmeyer, Phyllis
TIN: [redacted]
Tax Form: 1040 **Date:** **2/20/2024**

Tax Year (s): 201812, 201912

		Sch C	
	Dividends	None	
	Employer Reimbursements	None	
	Estate/Trust	None	
	Foreign Accounts	None	
	Gambling/Lotteries	None	
	Gifts/Inheritance	None	
	Hobbies	None	
	Insurance Proceeds	None	
	Interest from Banks or Savings and Loans	None	
	Investments	None	
	IRA/Keogh Distributions	None	
	Loans	None	
	Military Allowance	None	
	Mortgage (second)	None	
	Other Jobs	Reported – Sch C	
	Partnerships	None	
	Pensions, Annuities, Profit-sharing	None	
	Prizes, Awards, Bonuses	None	
	Rent/Royalty	None	
	Sale of Assets –Real estate sales (rental, personal home or other)	None	
	Scholarship, Fellowship, Grant	None	
	Sick Pay	None	
	Social Security	None	
	State/Local Tax Refund	None	
	Stock Sales	None	
	Tips	None	
	Unemployment Compensation	None	
	VA Benefits	None	
	Welfare	None	

Comments: *(Mandatory in order to document the nature and extent of the income Probe*

TP is a Broward County Deputy Sheriff. TP is married to Erin Thompson as of 2018. TP owns her own home in Tamarac where she lives with her wife and her wife's children.

Initial Interview Questions and Notes

Ex em pti	Name	Age	Relationship	Other Information

Taxpayer Name: ACOSTA, ALEXANDRA **Examiner:** Kampmeyer, Phyllis
TIN: [redacted]
Tax Form: 1040 **Date: 2/20/2024**

Tax Year (s): 201812, 201912

Comments:

Additional Items:

Business Supplement	Go to Lead sheet 125-3.1

Taxpayer Name: ACOSTA, ALEXANDRA
TIN: [redacted]
Tax Form: 1040
Tax Year (s): 201812, 201912

Examiner: Kampmeyer, Phyllis
Date: 2/20/2024

Initial Interview Questions and Notes
Business Supplement

Please record any interview questions or notes below.

Brief Description of Day-to-Day Business Operation	TP is a real estate agent selling residential homes in Broward and Miami Dade county. GR is determined by F1099-MISC. Expenses: car expenses, advertising, home office, office supplies, internet, cell phone, fees paid to brokerage, license TP uses debit cards and credit cards to pay for expenses. She only has one bank account and intermingles the expenses with personal expenses.		
Business History	How long in business? Several years	Has business sustained a loss in prior or subs. year? Losses	
	Number of Employees		
	• Full time	None	
	• Part time		
Accounting Method	_x_ Cash	__ Accrual	__ Hybrid
	Who keeps the books? TP		
Cash on Hand		Beginning of Year	End of Year
	Home	$	$
	Business	$	$
	Elsewhere	$	$
Where do You Maintain Your Bank Accounts?	Business Account Number	Personal Account Number	
		[redacted]	
Banking Practices	Were all business and personal expenses kept separately? No.		
	Were all business receipts deposited? To which account? Not sure.		
	How are business expenses paid? Debit card, credit cards		

Taxpayer Name: ACOSTA, ALEXANDRA **Examiner:** Kampmeyer, Phyllis
TIN: [redacted]
Tax Form: 1040 **Date:** **2/20/2024**

Tax Year (s): 201812, 201912

Safety Deposit Box	Location		Contents	
Purchases	Any withdrawals of purchases for personal use?			
Related Transactions	Any transactions between you and a relative or related party? __ Yes _x_ No			
	If yes, explain.			
Gross Receipts	How were gross receipts calculated? From F1099-MISC			

Inventories, if applicable	Are inventories material? __ Yes _x_ No				
	Did beginning and ending balances agree with prior and subsequent?		Yes		No
	Where there any changes in method of valuing inventories?		Yes		No
	When taken:				
	How:				
	Include year-end purchases?		Yes		No
	Any write-offs or write downs?		Yes		No

	Description	Amount	Per	Bus	WP Ref
Loans, Notes, Mortgages Payable					

	Description	Amount	Purchaser	WP Ref
Capital Items Sold				

	Description	Amount	Seller	WP Ref
Capital Items Purchased				

Taxpayer Name:	ACOSTA, ALEXANDRA	**Examiner:**	Kampmeyer, Phyllis
TIN:	[redacted]		
Tax Form:	1040	**Date:** 2/20/2024	
Tax Year (s):	201812, 201912		
