

Testimony Of Dr. Al Cadenhead  
Hearing On The IRS Scam

Special Committee On Aging  
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On October 28 , 2014 I received a voice mail on my cell phone from a woman who identified herself as an agent for the Internal Revenue Service. In the voicemail she said that I was being charged with tax fraud for serious miscalculations on tax returns from 2008 to 2011 and that I should return the call immediately or have my attorney contact them. She further stated that they were contacting the local authorities. Assuming it was a legitimate message, I returned the call at approximately 8:30 AM.

The woman indicated that I was in serious trouble and the charge of tax fraud was due to my not responding to numerous attempts to contact me, and that they had actually left a letter on the front door of my house. She said they had a photo of an agent placing an envelope on my door with the letter requesting that I contact the IRS immediately. I asked if I might see the photo. She said no, because it would be used in court against. She told me that I should not interrupt her for any reason and that I should be taking notes of the conversation. I indicated that I was driving and could not write. She told me to find a place to pull over. I pulled into the parking lot of a school on my way to my church office.

She proceeded to tell me that they were issuing a warrant for my arrest, that they were placing a lien on my house and freezing my accounts because I had failed to cooperate. She also said they would be notifying the local media about the arrest. This prompted enormous anxiety for me because so much of my role depends on public image, and also I plan to retire in six months and I certainly did not want to embarrass my church. When I said I would like to contact my accountant, she told me that would not be a good idea because the miscalculations were so blatant that the court would likely take his license from him. She told me again not to interrupt her and began to describe the court cost that I could anticipate. I don't remember the exact amount but it was in excess of seventy thousand dollars. When I asked the amount of my miscalculations, she indicated that it was \$4,900. Still believing this to be legitimate, I asked how I might pay the amount of the miscalculation. She said that in order for payment to be made, she would have to refer the matter to her supervisory.

She then forwarded me to a man who identified himself as Steve Evans and gave a badge number. He told me that if I broke connection with him, the warrant would be filed. The only

way to pay the amount owed would be through a Government Approved Center and by use of Green Dot Visa Cards. He indicated that Rite Aid was a place that handled the Visa Cards, and gave me instructions on where the closest one was. I indicated that I must get the money from the bank. He told me to keep the phone in my pocket and under no circumstances say anything about the IRS or why I needed the money. I should get the money and then go to the Rite Aid Store and purchase five Green Dot Cards and load each one with \$500. Then, come back to the car and scratch off the cards and give him the numbers. He said he must check to see if the funds went through and while he did that, he switched me to an assistant, and that I must acknowledge every 30 seconds that I was still on the line. He told me that if I hung up, the warrant would be issued.

After successfully transmitting the scratched off numbers, he told me to go to another Rite Aid and purchase five more with the same instructions. He told me where the next closest Rite Aid would be. I followed the same procedure for the second time. Realizing that he had a gullible victim, he said they had just notified him that there were other discrepancies and that I owed another \$5,000. He instructed me to follow the same protocol again. He repeatedly told me that I must follow protocol or face serious consequences. We went through the same procedure for the additional \$5,000. So, I went to the bank a second time and borrowed the money. Then I proceeded to the Rite Aid stores according to his instructions. And, if broke connections for any reason, the warrant would be issued immediately.

Thinking I had cleared the matter, he indicated that I still owed \$6,000 from the year 2008. So, I went to the bank a third time and borrowed \$6,000. The lady at the bank asked if everything was ok. I responded that it was just personal business. I followed the exact same protocol and by the time I paid the \$6,000, it was 3:30 in the afternoon, over six hours into the conversation. I told him that I had a medical appointment and needed to honor it. This Steve Evans told me that he had good news for me – that I should receive a refund of \$8,900. He had to clear it with the Attorney General's Office and then he would instruct me on the method of the refund. He would contact me before 6:00 PM with the instructions.

Realizing then that I had been scammed, I immediately talked with my attorney. He, too, knew that I had been scammed. However, in my attorney's presence I contacted this Steve Evans to inquire of my refund. He said that he was still waiting on the documentation from the Attorney General's Office but they were closed for the day and that he would call me by 8:30 AM the next morning. When I did not hear from him the next morning, I called him at 9:00 AM. He then proceeded to tell me the next morning that I needed to forward an additional \$4,900 to get the refund which now would be larger and that I needed to take care of this immediately or there would be serious consequences. When I told him I knew he was a fraud, he quickly told

me I would be very sorry for not following through with this. By then I had made a phone to the local office of the FBI and they had directed me to the Treasury Department. With the thought that maybe my line might be tapped, I answered the phone again when Steve Evans called me again. I kept him on the line with hopes that possibly the authorities might be listening. He again threatened me even when I told him I knew he was scamming me. I hung up. Within ten minutes, he called me back on another telephone number. Thinking it might be an agency of the government, I answered the call. It was Steve Evans again, making his familiar threats.

In summary I will easily confess that the question can be raised as to how I could possibly have been so gullible. The short answer is that I was the perfect victim. I have never had any issues with the IRS and had no idea as to how they operate. I was aware that many years ago my father had a very difficult experience with the IRS. They were very harsh with him and never responded when they found out that his calculations were correct. So, for all I knew, the call of the impersonators was believable. I am also fortunate that I have not had to pay fines for major traffic violations and had no reason to assume that payments should not be paid by way of Green Dot Visa Cards. The scammers also talked a lot about notifying the media and in my profession that could be a nightmare. So, I was the perfect victim.

I am sharing my experience for one reason only. It is with hopes that my involvement might assist in stopping this scam and prosecuting these criminals. There is no way to gauge the amount of hardship they have created for so many individuals. I get no pleasure out of sharing such an embarrassing experience. My only reward for being public with my shame is to communicate to as many people as possible that the IRS does not do business over the phone; and, that when calls are received, hang up. That is my reason for being present with this body today.