FOR RELEASE 12:00 NOON, EDT
MONDAY, MAY 23, 1955

"TAX EVADERS ADD TO YOUR BURDEN"

ADDRESS

BY

HONORABLE HERBERT BROWNELL, JR.

ATTORNEY GENERAL OF THE UNITED STATES

Prepared for Delivery

before the

ECONOMIC CLUB OF DETROIT

Veterans Memorial Building

Civic Center

Detroit, Michigan

Monday, May 23, 1955

12:00 Noon

You will recall that towards the end of the last administration the Country woke up to the fact that something was very much wrong with tax law enforcement. Evidence unearthed by congressional committees indicated that tax cases were being "fixed," that taxpayers were being "shaken down," and that improper influences were being brought to bear in tax settlements. It appeared that certain high officials in Government were involved, as well as individuals outside of Government who were engaged in influence peddling, some on a large scale and others on a petty racketeering basis. The shocking disclosures of laxity and corruption in the handling of tax cases had undermined public confidence in the fair and impartial administration of the law, and there was an immediate demand in Congress and throughout the country for a general house-cleaning. One of the stated objectives of the new administration -- and one of its most important objectives -- was to eliminate politics, favoritism and corruption from law enforcement, and particularly from the enforcement of the revenue laws.

Our first remedial step was to punish the guilty. Its success is dramatically portrayed in the case of Henry W. Grunewald, otherwise known as "The Dutchman."

This case is perhaps the most shocking instance of corruption in Government in the history of our country. It involved not only Grunewald, but also Daniel A. Bolich, a former Assistant Commissioner

of Internal Revenue, one of the highest postions of trust in the United States. The ink had hardly dried on his oath of office when Bolich entered into a brazen scheme with Grunewald and crooked New York lawyers and accountants to defraud the United States Treasury out of hundreds of thousands of dollars in taxes and line their own pockets with bribes from tax evaders who should have gone to jail. The extent of the corruption, the size of the bribes, the scope of the crimes, the number of people involved, and the duration of the conspiracy dwarf the Tea Pot Dome scandal to a tempest in a tea pot. The case involved the operations of an organized ring of tax fixers in Washington and New York. The basic scheme was to fix criminal tax cases so that flagrant tax evaders escaped prosecution and, to accomplish their purposes, they resorted to whatever crime was expedient to fit the occasion.

Perjury, bribery, influence peddling and obstruction of justice were their stock in trade. They fed on one case after another, bulging their pockets with more and greater bribes, and drawing new and worse tax evaders into their scheme.

Grunewald and Bolich masterminded the ring from a suite in a Washington hotel which they secretly shared. Grunewald's occupancy at the suite was concealed behind the name of a former Secretary of War, who was the registered tenant. Grunewald acted as bag man and dealt directly with Max Halperin, a New York attorney who acted as the pipeline for the flow of cash from New York to Washington and as the shield for Grunewald and Bolich.

The first case they dealt with involved the Gotham Beef Company of New York which had concealed income of over $150,000 made by black market deals during the war. An honest special agent of the Internal Revenue Bureau, after a thorough investigation, recommended a criminal prosecution of the principals of the company for income tax evasion. Halperin was consulted and secretly met with Grunewald who guaranteed to kill the prosecution for $60,000 in cash. The money was put up in escrow in a safe deposit box in a New York bank. Bolich intervened and the agent's recommendation for prosecution was reversed. Halperin then delivered the cash to Grunewald in the fall of 1948.

Meantime, the ring seized on another case known as Pattullo Modes, a high-priced dress manufacturer in New York. Pattullo had made "off the record" sales totalling nearly $400,000. The principals were caught red-handed by endorsing company checks for their personal use. Investigation was in progress and criminal prosecution almost certain. Halperin got into the case and Grunewald agreed to handle the case for $100,000 cash. The money was given to Halperin who placed it in a safe deposit box where he agreed to hold it until the tax evaders were officially advised that they would not be prosecuted. After the money was put up, Bolich first stopped the investigation and then killed the prosecution. Again the money was delivered by Halperin to Grunewald in January 1949.

In the summer of 1950 the ring got into another case involving Glover Foundations, Inc. where the unreported income was over a million

dollars. Halperin, after talking with Grunewald, solicited a $200,000 cash "fee" for his "Washington contact." But the tax evaders would not pay it, the deal fell through, and the principal evader went to jail.

Grunewald's identity was carefully concealed in all these cases. Halperin never mentioned his name but referred to him as "a man in Washington." The crime might never have been uncovered were it not for the tenacity of the honest special agent of the Internal Revenue Bureau who was investigating Pattullo Modes. He continued his investigation after Bolich killed the prosecution, and wrote a report concluding that he would have recommended criminal prosecution except for a commitment made by Daniel Bolich, Assistant Commissioner of Internal Revenue. Here was an honest man bogged down in a swamp of corruption and crying for help. Congress tried to help him in the King Committee investigations of 1950 but was largely frustrated by further crimes by members of the ring. Grunewald learned that the investigation would include Pattullo Modes. The conspirators called in witnesses and told them not to talk, to lie and to invoke the Fifth Amendment. Bolich obtained and destroyed certain hotel records showing his close association with Grunewald. Despite this, however, the King Committee did develop a link between Bolich and Grunewald. Grunewald admitted friendship with both Bolich and Halperin, but denied any knowledge whatever of the Pattullo Modes case. He admitted that Halperin had handed him a package at Union Station in Washington in January of 1949 but claimed that it contained Sturgeon. Bolich explained his lavish living by claiming cash gifts from a friend. Maurice Smith, the accountant for Pattullo Modes, was told to lie. By

following that advice he was indicted for perjury. This was the opening wedge in the ranks of the ring, the Pattullo taxpayers lost their nerve, and in March of 1952, they told their story to a Federal Grand Jury notwithstanding that they had been told to lie. Their evidence was enough to reveal Halperin's role in the scheme but they were unable to connect either Grunewald or Bolich with the bribes. Numerous other witnesses were called but either invoked the Fifth Amendment or had convenient lapses of memory in accordance with instructions given by the ring. As a result, the investigation failed, the matter was dropped and no one was indicted.

Then in 1953 another Grand Jury in New York embarked on a thorough investigation. This time more witnesses talked and Halperin and the New York lawyers associated with him were indicted. It proved to be the knock-out punch. Three of Halperin's associates pleaded guilty and testified for the Government. They gave names, dates, times and places. In the net, the Government uncovered the two other cases. The evidence at the trial showed that time and time again Grunewald and Bolich acted in perfect unison with the tax evaders and their crooked lawyers, that Grunewald had bragged to his secretary that he could fix tax cases, that his meetings with Halperin coincided with the payment of money by the tax evaders, and action by Bolich, that "the Dutchman" had three safe deposit boxes he visited almost daily and kept large amounts of currency in the hotel suite at all times. Bolich even had a secret vault under his bath tub in his home in Brooklyn.

After a seven-week trial, Grunewald, Bolich and Halperin were all convicted. The sentencing judge, describing them as termites gnawing at the very foundations of our Government, imposed five-year prison terms on each of them as well as substantial fines.

He was not the only one in the old Internal Revenue Bureau who went sour. There was Joseph D. Nunan, Jr., who was Commissioner of Internal Revenue from 1944 to 1947. In his annual report as Commissioner for the year 1946, Mr. Nunan observed that "As the tax burden increased, there was more and more inclination by the greedy and dishonest to evade their taxes * * *. There were many who failed to pay their taxes in full." Last year a federal jury in Brooklyn, New York, concluded that Nunan himself was one of those whom he had so graphically described, for it convicted him on charges of evading his own taxes for the years 1946 through 1950. You will note that Nunan was actually Commissioner of Internal Revenue, in charge of federal tax administration for the whole country, during part of the time when the jury found he had been evading tax. Although Nunan did not take the stand as a witness, his counsel read into the record at the trial a statement which Nunan had made before the grand jury, in which he said, among other things:

> "I do not think that I have ever, and I say this without modesty, I do not think that I have ever been a tax expert, or held myself out as such. I became Collector of Internal Revenue through, let us say, 'the chance of politics' . . . ."

Although Nunan said that he never held himself out as a tax expert, he appears to have enjoyed a lucrative tax practice after his term of office

as Commissioner. In one instance, which was brought out at the trial, he received a fee of about $25,000 in corporate stock for legal services which seem to have consisted of making a few telephone calls to revenue officials requesting an immediate conference for some other attorneys who wanted quick action on a tax ruling for their client. Perhaps this is the sort of thing he had in mind when he said, in the statement from which I have already quoted, "After I came out of the tax office the function I performed was more the getting of business than deciding tax questions."

As a result of his conviction, Nunan was sentenced to imprisonment for five years and fined $15,000.

Under indictment is Carroll E. Mealey, who was deputy commissioner of Internal Revenue from 1946 to 1951 - for evading tax on his own income. James P. Finnegan, former collector at St. Louis, is serving two years for having received compensation for services to firms having business with the Government while he was a Government official. Denis W. Delaney, former collector at Boston, received a year and a day and a $5,000 fine on charges of bribery and another six months sentence for evading his own taxes.

Corruption in any area of public service is a serious matter, but few things are more vital to the general welfare of a Republic than that its citizens have faith in the integrity of those officials who are responsible for enforcing the tax laws. The collection of revenue is, of course, one of the most essential functions of government. It is an old saying that taxes are the life-blood of the nation. This was never more true than it is today, when the complexities of modern industrial society and the critical condition of the post-war world make necessary the expenditure of billions of dollars each year in public funds

for the welfare of our people and the preservation of our way of life. These necessary funds must be raised through taxation; and the greater the tax burden, the greater the taxpayer's temptation to cheat and to seek out unscrupulous individuals in and out of government who will help him to get away with it. That temptation becomes even stronger when the public loses faith that the law is being impartially administered.

The successful operation of our tax system depends to a large extent on the honest reporting of income by the taxpayer himself. Most taxpayers today file honest returns. But the honest taxpayer will remain honest and will be willing to bear his share of the heavy tax burden only so long as he is satisfied that others are doing the same. We have only to look at the experience of some other countries to see how widespread, systematic evasion of taxes, ignored or tolerated by the government, can wreck taxpayer morale and seriously threaten the economic health of the nation. When tax evasion is accepted as commonplace, or even fashionable, the system will break down. It is up to the Government to see that this does not happen.

The Internal Revenue Service is, of course, the agency which is chiefly responsible for administering the revenue laws. It has the tremendously complicated job of making necessary rules and regulations, collecting the taxes, and attempting to iron out differences of opinion with taxpayers at the administrative level. The Department of Justice gets into the picture only when either the taxpayer or the Government decides to go to court to settle a tax dispute, or when the Government finds it necessary to bring criminal proceedings to enforce the tax laws.

Congress has provided criminal penalties for the evasion of taxes, and it is about this aspect of tax law enforcement that I want to

talk about today. A wilful attempt to evade or defeat tax is a felony, punishable by fine or imprisonment, or both. The Department of Justice has the duty to prosecute taxpayers who are charged with having committed that offense or any of the several other offenses defined in the revenue laws, such as wilful failure to file a return, wilful failure to pay taxes, making and subscribing a return knowing it to be false, or wilfully aiding and assisting in the preparation or filing of a false return or other documents. Investigation of these offenses is the responsibility of the Internal Revenue Service, but when the Revenue Service has made an investigation and concluded that there is sufficient evidence of a crime having been committed to warrant prosecution, it refers the matter to the Justice Department for prosecutive action.

Now, the facts brought to light by the Congressional committees which studied the situation indicated that part of the trouble with the enforcement of the tax laws resulted from the application, or abuse, of certain policies, either in the Revenue Service or in the Justice Department or in both, on the basis of which a taxpayer could escape prosecution even though he had clearly committed a criminal offense. Accordingly, one of the first things we did when we took over in 1953 was to review these policies to see whether any of them should be modified or abandoned.

The first policy to be reviewed was the one under which the F.B.I. was prohibited from investigating charges of bribery and corruption in the Internal Revenue Service. Only the Internal Revenue Service itself could investigate such charges. The new Administration requested Congress to change the law, and last year the Congress specifically gave the F.B.I. as well as the Internal Revenue Service jurisdiction to receive and investigate such charges. Obviously this new policy is in the public interest.

The next policy to be reviewed was the so-called "health policy." For some years it was the established practice, both in the Revenue Service and in the Justice Department, to refrain from prosecuting a tax evader -- even though the evidence of evasion was clear -- if it was made to appear that prosecution might endanger his life or his sanity. Taxpayers who had no difficulty in carrying on their daily business affairs would produce medical affidavits reciting their ailments and concluding that the stress and strain of a trial would be likely to prove fatal. The Government would usually require that the taxpayer submit to an examination by a physician of the Public Health Service or some other doctor selected by the Government. It was then up to the Internal Revenue Service or the Department of Justice to evaluate the medical opinions and to arrive at a decision whether prosecution should be waived on health grounds. Obviously, the people who had to make this evaluation were not trained in medicine, and not infrequently the opinions of the experts were in conflict. Many conscientious physicians found it difficult to predict what the effect of a trial might be on a man's health, particularly when the prediction usually had to be made long before any trial was to take place. Yet the person responsible for the decision whether to prosecute had to attempt to make such a prediction as a layman. If the Revenue Service decided that the taxpayer could not undergo the ordeal of a trial without danger to his life, the case would not be referred to the Justice Department at all. However, in some instances the question of health was not raised until after the case had left Revenue and come over to Justice, and then the

decision would have to be made by Justice.

The problem became even more difficult when a taxpayer claimed that prosecution would endanger his mental health. Government lawyers then had to grapple with such psychiatric concepts as "anxiety neurosis" and "suicidal tendency," and the opinions of the experts were likely to be even less conclusive than in those cases in which the question was one of physical health.

It is obvious that any such policy as this is peculiarly susceptible of abuse. The policy itself was extremely difficult to formulate in a manner which would guarantee uniform application, and it necessarily allowed a wide latitude of discretion to those who administered it. Decisions were made, not by judges in open hearings at which the medical evidence could be tested by cross-examination, but by people in the executive branch of the Government on the basis of written statements by doctors who were not available for questioning and whose written opinions were, as I have said, quite often inconclusive. Moreover, there was always the possibility of symptoms of ill-health being fabricated, particularly when the question of mental health was involved. Any individual facing the prospect of criminal prosecution might be expected to experience some emotional disturbance, and this could readily be translated into a state of depression or a suicidal tendency.

But aside from these problems of administration, it is doubtful whether a "health policy," as such, has any proper place in the administration of the criminal laws. So far as I am aware, no such policy has ever been applied, or even suggested, in other

areas of law enforcement. A man who tries to cheat the tax collector is just as much a criminal as one who embezzles money from his employer or who perpetrates any other kind of fraud on the Government. There is no reason why he should receive preferred treatment on health grounds.

The Internal Revenue Service abandoned its health policy in December of 1951, following disclosure by the King Subcommittee of the way in which the policy could be and had been abused, and of the almost insurmountable administrative problems to which it gave rise. The Department of Justice did not officially abandon the policy until February of 1953 when, after having had the matter thoroughly reviewed, I directed that the policy no longer be followed.

Under our present practice, questions of the physical or mental ability of a defendant to stand trial must be settled in open court. The statutes lay down procedures to be followed by the court if there is doubt as to the mental capacity of a defendant to assist his lawyer in his defense. So far as the physical capacity of a defendant to stand trial is concerned, the courts have power to postpone the trial from time to time if medical evidence is produced which warrants postponement. And in extreme cases the United States Attorney may be authorized to dismiss an indictment if medical evidence, made a part of the public record, indicates that the defendant will never be able to stand trial. We think that it makes for greater public confidence in the vigorous and impartial enforcement of the law if matters such as these are decided in the open, where all can see, rather than in the privacy of the prosecutor's office.

The investigations by Congressional committees also indicated that prosecution of tax cases had often been delayed, to the prejudice of the Government's interests, by the granting of innumerable conferences to taxpayers and their attorneys who wanted to persuade the Department that they should not be prosecuted. Because of the complexities of tax cases and the necessity for distinguishing between mere negligence or ignorance, on the one hand, and deliberate evasion, on the other, it has long been the practice to grant conferences at which taxpayers may submit any proof that they may have tending to show their innocence. Although there was supposedly a rule that only one conference would be allowed in any case, it appeared that this rule had come to be honored more in the breach than in the observance. In some instances, statutes of limitations were allowed to run so that more and more conferences could be held. Once again, the opportunity for abuse is apparent. It is the firm policy now to allow only one conference in a criminal tax case, and this policy is strictly adhered to except in exceptional situations, such as where important new evidence has been discovered which goes to the merits of the case.

I mention one other policy, of a slightly different character, which we thought should be changed, and which we have changed. This policy was not confined to tax cases, although it was particularly attractive to defendants in tax cases. This was the policy of consenting to the entry of pleas of nolo contendere in place of guilty pleas. For the benefit of those of you who are not lawyers, perhaps I should explain that a plea of nolo contendere means that the defendant does not come right out and admit that he is guilty -- he merely says that he is not going to argue about it. It has been referred to as a

gentleman's plea of guilty. The Supreme Court has held that it is just the same as a plea of guilty for the purposes of the case -- that is, the judge can impose just the same kind of sentence that he could have imposed if the defendant had entered a guilty plea or had been convicted by the jury. But, in practice, some judges seemed to feel that they were entitled to be more lenient if a defendant pleaded nolo contendere than if he pleaded guilty. It was often regarded as a sort of compromise plea, half way between guilty and not guilty. It enabled a man to avoid standing trial without incurring the stigma of an outright admission of guilt. And, in the case of a professional man, it might save him from the automatic loss of professional status which a plea of guilty usually entails.

Because of the anomalous character of the plea of nolo contendere, and because it opened the door to "deals" between the Government and persons charged with crime, I instructed the United States Attorneys in August of 1953 not to consent to the entry of such pleas except in very exceptional circumstances, and then only after having secured my approval or the approval of one of my assistants. Of course, it is for the court to make the final decision whether a nolo plea shall be accepted, and some courts still feel that such pleas are proper. However, I think it is significant that during the year following the change in our policy the number of nolo pleas accepted in criminal tax cases decreased by about fifty percent.

You have only to read the newspapers to know that the crime of tax evasion is not confined to what we regard as the criminal element of society. Many apparently decent, reputable people, well regarded in

the communities in which they live and work, give way to the temptation to defraud the government. Included among these we find individuals in every walk of life -- business men, professional men (yes, even lawyers), store keepers, laborers and others. A substantial proportion of the tax cases referred to the Department for prosecution involve people engaged in legitimate occupations who would never think of robbing a bank or cheating an employer, but seem to have no compunction about short-changing Uncle Sam. Obviously, the enforcement program must reach these people, because evasion of taxes cannot be tolerated no matter where it may occur, and because the chief purpose of prosecuting evaders is to deter others from engaging in similar practices. As I have said, the temptation to cheat becomes stronger if a taxpayer has reason to believe that his neighbor is cheating and getting away with it.

However, although the "amateur" tax evader is very much with us, there is reason to believe that evasion is particularly rampant among the criminal and racketeering element. Here tax prosecutions serve a dual purpose -- enforcement of the tax laws and curtailment of the anti-social activities of racketeers. It has sometimes been suggested that prosecuting racketeers for evasion of their taxes constitutes an improper use of the tax laws for a purpose for which they were not intended; that it is not productive of any substantial amounts of revenue; and that there is something incongruous or even absurd about putting a man in jail for tax evasion when he is probably guilty of even more heinous offenses. Some people even seem to feel

that it is immoral for the Government to take its "cut" out of the profits of an illegal business. To me these views are completely untenable. Almost thirty years ago, the late Justice Holmes, speaking for a unanimous Supreme Court, said, "We see no * * * reason why the fact that a business is unlawful should exempt it from paying the taxes that if lawful it would have to pay."

Racketeers are in business to make money. Money gives them power, and power brings in more money. Their take-home pay, if we can call it that, is tremendously increased if they can avoid paying taxes. The tax law is a potent weapon for fighting organized crime. In 1952, the American Bar Association's Commission on Organized Crime reported that "the failure of the Federal Government to collect just and lawful taxes from racketeers and professional criminals has had a tremendous stimulating effect upon organized crime and the huge sums which should have been collected have been an important contributing factor in weakening law enforcement at the state and local level." Evasion of income tax is just as much a criminal offense as any other crime on the statute books. In the case of a racketeer it may be only one of many crimes of which he is guilty, but there is just as much reason why he should be prosecuted and punished for that crime as for any of the others. I suggest that there is even more reason, in that the insidious power of organized crime is undoubtedly built in large measure upon profits which have escaped taxation. Because of this, we have paid special attention to criminal tax cases involving the racketeering element.

One of the first cases with which we had to deal when we took over in 1953 was the case of Benny Binion, a former bootlegger and a big-time gambler operating in Texas and Nevada. Although Binion had been arrested seven times over a period of years on various state charges, including two charges of murder, he had served only sixty days in jail for carrying concealed weapons. In May of 1952, he was indicted by a federal grand jury in Dallas for evading his income taxes for 1949. He succeeded in having the case transferred to Nevada, where he had gone to live when things became too hot for him in Texas; and in Nevada he was allowed to enter a plea of nolo contendere and was fined $15,000 and placed on probation for five years. In October of 1952, he was again indicted in Dallas, this time for evading his 1948 taxes. After reviewing the case in the early days of this administration, we concluded that a thorough grand jury investigation should be conducted with a view to strengthening the 1948 case and developing evidence of tax evasion in other years. As a result of that investigation, carried out with the assistance of Special Agents of the Internal Revenue Service, Binion was charged with having evaded taxes for the years 1945 through 1948, amounting to about half a million dollars. All this time, Binion was using every means in his power to have the case transferred to Nevada again, and to avoid having to return to Texas for arraignment and trial. We were successful in opposing these efforts, and, after some further legal skirmishing, he finally pleaded guilty to four counts and was sentenced to serve five years in the penitentiary and to pay a fine of $20,000. In addition, the Government collected the taxes that were due.

Another prominent character who has been convicted of income tax evasion within the last two years is Frank Costello, probably one of the most influential figures in organized crime in the whole country. Costello was indicted in March of 1953, and convicted in May of 1954, on counts involving evasion of taxes for 1947, 1948 and 1949, amounting to about $70,000. His tax evasion was proved by the complicated net worth theory. It was necessary for the Government to trace Costello's financial affairs from 1937 through 1949. The trial lasted six weeks and over 150 witnesses were called including many of Costello's associates who, of course, were hostile to the Government. The record of his trial shows the extraordinary extent to which he managed to cloak his operations in secrecy by cash deals and the use of dummies. Even the purchase of his own mausoleum was arranged through an intermediary, payment for it being made in cash following phone calls to a number which the intermediary supplied. His gambling interests included a slot machine business and a gambling casino in Louisiana, and he had investments ranging from Wall Street to Florida real estate. He was sentenced to imprisonment for five years and to pay a fine of $20,000.

Two other gamblers, both prominent in the Washington, D. C. area, have recently been convicted under the income tax laws. Sam Beard, whose betting activities reputedly extended throughout the eastern seaboard and whose operations were carried on in part through a second-hand furniture store located within a few hundred yards of the Department of Justice building, was convicted last Fall on a charge

of evading income tax for the year 1944, and was sentenced to five years' imprisonment and a $10,000 fine. Emmitt Warring, another well-known Washington gambler, was convicted last December of having evaded some $90,000 in taxes for the year 1947, and was sentenced to three years in jail and a $10,000 fine. Prosecution of Warring had been turned down twice by the district attorney under the previous administration, on the grounds that a conviction could not be obtained, and Warring was not finally indicted until February of 1954.

I could mention others in the same general category, such as Harry Gross, the New York bookmaker; Frank Erickson, also of New York; Alfred Marshall, a San Francisco bookmaker; and Artie Samish, the well-known California lobbyist and representative of the liquor interests. Surely, prosecution of such individuals as these is no perversion of the tax laws. If they have violated those laws, they should be punished for it, no matter what other laws, federal or state, they may have violated as well. And enforcement of the tax laws against them strikes where it hurts them most -- in the pocketbook.

These are just a few of the cases in which persons of some public notoriety have been convicted of income tax evasion during the last two years. This period has been one of marked activity in the field of tax law enforcement. During the calendar year 1954, 542 persons were convicted of criminal violations of the income tax law, almost a 50 percent increase over the 377 convictions in 1952.

Let me emphasize once more that, in our opinion, the conscientious citizen who honestly reports and pays his taxes year after year is entitled to expect that his Government will see to it that his less scrupulous neighbor is made to pay his fair share, too, and is subjected to the penalties of the law if he fails to do so. This is a matter of vital interest to every one of you, for tax evasion increases your burden and fattens the pocketbooks of those who prey on society.

It is our intention, with the continued cooperation of the Internal Revenue Service, to carry on with a vigorous and impartial enforcement of the revenue laws, so that honest taxpayers may feel confident that everything possible is being done to make tax evasion unprofitable.