

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

IN THE MATTER OF THE TAX)
LIABILITIES OF:)
)
JOHN DOE, Norwegian taxpayer holding)
Prairie Sun Bank payment card) **DECLARATION OF**
XXXXXXXXXXXX7857.) **CHERYL KIGER**

I, Cheryl Kiger, pursuant to 28 U.S.C. section 1746, declare and state:

1. I am a duly commissioned Internal Revenue Agent assigned as Technical Specialist in the Internal Revenue Service's Offshore Compliance Initiatives Program. The Offshore Compliance Initiatives Program develops projects, methodologies, and techniques for identifying United States taxpayers who are involved in abusive offshore transactions and financial arrangements for tax-avoidance purposes. I have been an Internal Revenue Agent since 1991, and I have specialized in offshore investigations since 2010. As a Revenue Agent, I have received training in abusive offshore tax issues. I also have experience in investigating offshore tax matters.

2. Since February 2011, I have been assigned to work on the IRS Offshore Private Banking Initiative. Prior to that, for approximately one year, I was assigned as a Technical Advisor to agents reviewing Offshore Voluntary Disclosure submissions. Prior to that, and from approximately 2003, I worked on the IRS efforts to address various other abusive tax arrangements.

3. As stated in the Declaration of Michael Danilack ("U.S. Competent Authority") filed concurrently with this Declaration, the Norwegian Competent Authority has properly requested assistance from the IRS to obtain information pursuant to Article 28 of the Convention

Between the Government of the United States of America and the Kingdom of Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income and Property (“Convention”).

4. The U.S. Competent Authority’s office has requested my assistance in the capacity as an IRS revenue agent to obtain the information requested by the Norwegian Competent Authority. The U.S. Competent Authority has provided me with a list of payment cards issued by U.S. financial institutions that the Norwegian Directorate of Taxes (“NDT”) has identified and is to be used to determine the correct income tax liability of certain as-yet-identified taxpayers (hereinafter “John Does”) under the laws of Norway.

5. Payment card 7857¹ issued by Prairie Sun Bank is one of the cards identified by Norway and given to me by the U.S. Competent Authority. Payment card 7857 is part of the NDT’s Payment Card Project whose volume and history of use in Norway suggest that its holder is a Norwegian taxpayer who may have failed to report foreign financial accounts or income on the tax returns that he or she was required to file under the revenue laws of Norway.

6. In furtherance of Norway’s request for information, the IRS proposes to issue an administrative “John Doe” summons to Prairie Sun Bank. A copy of the proposed summons is attached to this Declaration as Exhibit A. As described in greater detail below: (1) the proposed “John Doe” summons to Prairie Sun Bank relates to the investigation of a particular person or ascertainable group or class of persons; (2) there is reasonable basis for believing that this person or group or class of persons has failed or may have failed to comply with provisions of the

¹ The account number of the payment card at issue contains sixteen digits. For privacy considerations, all but the last four digits have been redacted.

internal revenue laws of Norway; and (3) the information and documents sought to be obtained from the examination of the records or testimony (and the identity of the person with respect to whose tax liability the summons has been issued) are not readily available from sources other than Prairie Sun Bank.

I. The summons describes a particular person or ascertainable class of persons.

7. The proposed “John Doe” summons to Prairie Sun Bank seeks information regarding the holder or holders of a specific payment card, identified by account number, that was issued by the credit union. This investigation relates to a particular person (or group of persons if the account is jointly held) that is easily ascertainable by account number.

II. There is reasonable basis to believe that this person has failed to comply with the internal revenue laws of Norway.

8. Norway has provided information to the IRS, through the U.S. Competent Authority, that shows that payment card 7857 issued by Prairie Sun Bank was used in approximately 775 transactions in Norway from January 2004 through April 2012.

9. According to the information provided to the U.S. Competent Authority from Norway, the Prairie Sun Bank transactions combined for a total volume of approximately 2,310,350 NOK. From January 2004 through April 2012, the U.S.-dollar equivalent of one Norwegian Krone ranged from a low of approximately 14 cents to a high of approximately 20 cents. See <http://www.oanda.com/currency/historical-rates/>. Using 17 cents as the average U.S.-dollar equivalent of one Norwegian Krone during that period, payment card 7857 was used in Norway from January 2004 through April 2012 for a combined volume of approximately \$392,760.

10. Based on the information provided to the U.S. Competent Authority by Norway, including the use of a payment card to withdraw currency and/or to purchase goods and services without leaving an identifiable record of such transactions and the level of activity and large dollar volume of transactions on the card, and based on my general knowledge and experience concerning taxpayers who use banking and other services in foreign jurisdictions, it is reasonable to believe that the unidentified holder of payment card 7857 issued by Prairie Sun Bank may have failed to report income to Norway.

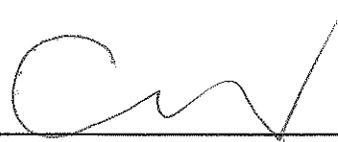
III. The requested materials are not readily available from other sources.

11. Information provided to the U.S. Competent Authority from Norway indicates that for payment cards that are used only at automated-teller machines or in transactions where authorization is by PIN code and the cardholder need not identify himself or herself, the cardholders cannot be identified from information sources in Norway. Payment card 7857 issued by Prairie Sun Bank is one of the cards whose holder cannot be identified from information sources in Norway.

12. The only repository of the information sought by the proposed summons that is available to the IRS is Prairie Sun Bank, which holds the payment card relationship with the John Doe in question and maintains records of that payment card account and related financial accounts.

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

Executed this 11th day of July 2013.

A handwritten signature in black ink, appearing to read 'C. Kiger', written over a horizontal line.

CHERYL KIGER
Internal Revenue Agent
Internal Revenue Service