

**Steve Leimberg's Employee Benefits and Retirement Planning Email Newsletter - Archive Message #838**

**Date:** 05-Sep-24  
**From:** Steve Leimberg's Employee Benefits and Retirement Planning Newsletter  
**Subject:** Bruce Steiner on PLRs 202244029 and 202430010: Waiver of 60-Day Deadline for Rollover for Victims of Scams

*“In PLRs 202244029 and 202430010, the Internal Revenue Service granted a waiver of the 60-day deadline for a rollover for the victim of a scam. While the IRS may waive the 60-day deadline for a rollover for IRA owners losing IRA assets to scams, the availability of a waiver is of no benefit to IRA owners who lack the funds to put back into their IRAs.”*

**Bruce Steiner** provides members with his analysis of PLRs [202244029](#) and [202430010](#) that involved waivers of 60-day deadline for rollover for victims of scams. Bruce has obtained many private letter rulings waiving the 60-day deadline for a rollover.

**Bruce D. Steiner**, of the New York City law firm of **Kleinberg, Kaplan, Wolff & Cohen, P.C.**, and a member of the New York, New Jersey and Florida Bars, is a long time LISI commentator team member and frequent contributor to Estate Planning, Trusts & Estates and other major tax and estate planning publications. He is on the editorial advisory board of Trusts & Estates where he chairs the Retirement Benefits Committee, a member of the Executive Committee of the New York State Bar Association's Trusts and Estates Section and a Vice Chair of its Life Insurance and Employee Benefits Committee, a co-author of CCH's *Roth IRA Answer Book*, and a contributing author of Thomson Reuters' *Irrevocable Trusts*. He is a popular seminar presenter at continuing education seminars and for Estate Planning Councils throughout the country. He has served on the professional advisory boards of several major charitable organizations, and was named a New York Super Lawyer each year since 2010 and was selected for Best Lawyers of New York each year since 2018.

Bruce has been quoted in various publications including *Forbes*, the *New York Times*, the *Wall Street Journal*, the *Daily Tax Report*, *Investment News*, *Lawyers Weekly*, *Bloomberg's Wealth Manager*, *Financial Planning*, *Kiplinger's Retirement Report*, *Medical Economics*, *Newsday*, the *New York Post*, the *Naples Daily News*, *Individual Investor*, CNBC, CBS News,

Reuters Money, *Fox Business*, Bloomberg, TheStreet.com, Observador, Law360, and Dow Jones (formerly CBS) Market Watch.

Here is his commentary:

## **EXECUTIVE SUMMARY:**

In PLRs 200244029 and 202430010, the Internal Revenue Service granted a waiver of the 60-day deadline for a rollover for the victim of a scam.

## **FACTS:**

### **PLR 202244029**

A taxpayer was trying to access her bank account when she received an alert on her computer to contact a representative from Company C.

As instructed, she contacted Individual 1, who falsely claimed to work for Company C.

Individual 1 told her that hackers from Country F had downloaded illegal material onto her computer and taken money from her bank account.

Individual 1 instructed the taxpayer to contact Individual 2.

Individual 2 falsely claimed to be an employee in the anti-fraud department of her bank, and told her that she would have to secure her funds to protect them from hackers and that the illegal material on her computer was a Federal crime.

Individual 2 put the taxpayer in contact with Individual 3, who falsely claimed to be a Federal officer, and who assured the taxpayer that once they secured all her assets, he would give her a check to reimburse her for withdrawals made from her account.

Individuals 2 and 3 told the taxpayer not to tell anyone and warned her that she would be arrested for illegal material on her computer if she contacted law enforcement.

At Individual 2's direction, the taxpayer withdrew money from her taxable accounts. In addition, following the fraudsters' instructions, the taxpayer withdrew money from her IRA. After the 60-day deadline for a rollover had expired, Individuals 2 and 3 told the taxpayer that she could tell her spouse about the withdrawals. She then discovered that their phone numbers had been reassigned or were no longer in service. She then contacted a government agency to report the fraud.

### **PLR 202430010**

Individual 1 called the taxpayer, falsely claiming to be from Agency D, and told her that she was identified as a victim of identity theft. Individual 2, impersonating as a senior investigating officer of Agency E, told her that her name, address and social security number were found inside an abandoned car during a drug and money laundering operation.

Individual 2 told the taxpayer that he was working with Agency D to protect victims of fraud and that was the reason for their phone call.

Individual 1 was able to provide the taxpayer with her full name, home address and social security number, and other personal information, which led her to believe that the situation was legitimate.

The taxpayer was told that to secure her funds she had to transfer the balance of her IRA to a safety locker facility. Once the funds were secured, Individual 3, who was posing as an agent of Agency F, would come to her house to deliver a check in the amount transferred to the safety locker. She was told that she would have a lockbox that only she can open with a combination she was given, and that a check for the funds she transferred from her IRA would be in the box.

Over the next few days, Individual A gave the taxpayer bank names, routing numbers and address numbers to transfer funds to. After making a few transfers, the taxpayer began to doubt the operation's legitimacy. She questioned Individual 1, who had a police chief call her to let her know that it was genuine.

The taxpayer then realized that she had been defrauded, and called a police department and reported the crime to a governmental agency. The

agency later called her to inform her that the mastermind behind the operation had been arrested and convicted.

The Internal Revenue Service waived the 60-day deadline for each of these taxpayers to roll the money back into a IRA.

## **COMMENT:**

These rulings are just two examples of this type of scam.

Barry Heitin, a 76-year-old retired lawyer, was the victim of such a scam, and lost \$740,000 of his retirement savings. He was unable to log into his 401(k) account. When he tried again several days later, he got in, but the screen changed and instructed him to call the 401(k) provider's fraud department. He spoke with a man who called himself Charles Hunt. Mr. Hunt said he was a fraud investigation officer with the firm. He told Mr. Heitin that someone was trying to gain access to his account. He also named a bank where Mr. Heitin had an IRA and checking and savings accounts, and told him that the money in those accounts was also vulnerable.

Mr. Hunt connected Mr. Heitin with a man who called himself Hayden Smith, and who said he was with the bank. Mr. Smith said he had identified two \$10,000 transactions for purchases of child sexual abuse imagery through a site in China. A third man, who identified himself as Finn Whitrock from the Internal Revenue Service, said that Mr. Heitin's other accounts were at risk, but that the government could safeguard his money by transferring it to a Federal locker.

Mr. Heitin gave them access to his computer and began withdrawing his retirement money and other savings, transferring them to what he believed was a safe place, using Bitcoin, ATMs and wire transfers. He was instructed not to disclose anything to anyone, including his three adult children.

After he withdrew \$113,000 from his checking and savings accounts, he was instructed to move his retirement money. He had more than \$830,000 in his IRA and brokerage account. If his advisor had any questions, the scammer told him to explain that he was buying a property in Canada. He

then said he needed the money to buy gold. The bank balked. Then they told him to move his IRA to a different institution, which he emptied within two weeks. He then bought \$416,000 worth of gold coins and ingots, and to wait for a car to pick it up.

Charlotte Cowles, who had been a financial writer for the New York Times and New York Magazine, was the victim of a similar scam, and lost \$50,000.

Someone identifying herself as Krista called Ms. Cowles. The caller ID on her phone said Amazon. Krista said she was calling from Amazon customer service, and asked if she had recently spent \$8,000 on MacBooks and iPads on her business account. Ms. Cowles said she didn't have a business account. She and Krista concluded that she had been the victim of identity theft.

Krista said that Amazon had been having a lot of problems with identity theft and was working with the Federal Trade Commission on it, and asked if she could connect Ms. Cowles with their liaison at the Federal Trade Commission. Ms. Cowles agreed. Krista then transferred the call to a man who identified himself as Calvin Mitchell, an investigator with the Federal Trade Commission.

Mr. Mitchell told Ms. Cowles that 22 bank accounts, nine vehicles and four properties were registered in her name, and that the bank accounts had wired more than \$3 million overseas, mostly to Jamaica and Iraq. He asked her if she knew Stella Suk-Yee Kwong, and sent her a photo of her ID, which he claimed was found in a car rented in Ms. Cowles' name that was abandoned on the southern border of Texas with blood and drugs in the trunk. He said that a home in New Mexico affiliated with the car rental had been raided, and authorities found more drugs, cash and bank statements registered to her name. He told her that there were warrants out for her arrest in Maryland and Texas and that she was being charged with cybercrimes, money laundering, and drug trafficking.

Mr. Mitchell told Ms. Cowles not tell anyone what is going on. He wanted to know how much money she had in her bank accounts. She told him that she had about \$80,000. He told her that he would help her keep her money safe. He said he would transfer her to a colleague at the CIA.

A man identifying himself as Michael Sarano then got on the line and said that he worked for the CIA on cases involving the Federal Trade Commission. He told her to go to the FTC website and look up the main phone number, and that he would call her from that number. He then called her and that number flashed on her screen. Mr. Sarano gave her the same stories, and said that the CIA had to freeze her assets. He told her to go to the bank and withdraw the money, but not to tell them what it was for. He told her that his colleague would pick up the money, and that they would give her a new Social Security number and issue a government check under her new Social Security number.

These scams are sufficiently sophisticated and convincing that a retired lawyer and a financial writer for the New York Times and New York Magazine fell for them. People should watch out for them.

### **CONCLUDING OBSERVATION:**

The IRS may waive the 60-day deadline for a rollover for IRA owners losing IRA assets to scams. However, the availability of a waiver is of no benefit to IRA owners who lack the funds to put back into their IRAs.

**HOPE THIS HELPS YOU HELP OTHERS MAKE  
A POSITIVE DIFFERENCE!**

*Bruce Steiner*

### **CITE AS:**

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## **CITES:**

[PLR 202244029](#) (Aug. 9, 2024); [PLR 202430010](#) (April 2024); Tara Siegel Bernard, "[How One Man Lost \\$740,000 to Scammers Targeting His Retirement Savings](#)," New York Times (July 29, 2024); Charlotte Cowles, "[The Day I Put \\$50,000 in a Shoe Box and Handed it to a Stranger](#)," The Cut, New York Magazine (Feb. 15, 2024).

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